



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

Motorists Mutual Insurance Company

NAIC Group Code	0291 (Current)	0291 (Prior)	NAIC Company Code	14621	Employer's ID Number	31-4259550
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		OH
Country of Domicile	United States of America					
Incorporated/Organized	11/08/1928			Commenced Business		11/27/1928
Statutory Home Office	471 East Broad Street (Street and Number)			Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)		
Main Administrative Office	471 East Broad Street (Street and Number)			Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)		
	Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)			614-225-8211 (Area Code) (Telephone Number)		
Mail Address	471 East Broad Street (Street and Number or P.O. Box)			Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	471 East Broad Street (Street and Number)			Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)		
	Columbus , OH, US 43215 (City or Town, State, Country and Zip Code)			614-225-8211 (Area Code) (Telephone Number)		
Internet Website Address	MotoristsGroup.com					
Statutory Statement Contact	Joel B. Kratzer (Name)			614-225-8327 (Area Code) (Telephone Number)		
	Accounting@MotoristsGroup.com (E-mail Address)			614-225-8330 (FAX Number)		

OFFICERS

Chairman	John Jacob Bishop	Secretary	Susan Elizabeth Haack
Chief Executive Officer	David Lynn Kaufman #	Treasurer	Michael Lee Wiseman

OTHER

Grady Brendan Campbell Senior VP, Marketing & Underwriting	Charles Robert Gaskill Senior VP, General Counsel	Charles Donovan Stapleton Senior VP, Claims & Affiliate Operations
Charles Arthur Wickert Senior VP, Corporate Services		

DIRECTORS OR TRUSTEES

John Jacob Bishop	Yvette McGee Brown #	Larry Lee Forrester
Archie Mason Griffin	Susan Elizabeth Haack	Sandra Werth Harbrecht
David Lynn Kaufman	Robert Lee McCracken	Thomas Charles Ogg
Robert Charles Smith	Michael Lee Wiseman	

State of Ohio
County of Franklin SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

David L. Kaufman Chief Executive Officer	Susan E. Haack Secretary	Michael L. Wiseman Treasurer
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Subscribed and sworn to before me this 17th day of February, 2014

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	670,103,810		670,103,810	629,485,534
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	202,283,371	7,889	202,275,482	189,618,186
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	270,120		270,120	290,333
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	26,579,010		26,579,010	25,596,496
4.2 Properties held for the production of income (less \$0 encumbrances)	686,026		686,026	704,216
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$(1,915,648) , Schedule E - Part 1), cash equivalents (\$0 , Schedule E - Part 2) and short-term investments (\$14,757,820 , Schedule DA)	12,842,172		12,842,172	10,352,876
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	114,680,304		114,680,304	111,709,288
9. Receivable for securities	588		588	6,154
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,027,445,401	7,889	1,027,437,512	967,763,083
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	6,758,526		6,758,526	6,819,476
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	22,250,261	2,194	22,248,066	23,483,625
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$2,761,200 earned but unbilled premiums)	105,534,531	1,535,613	103,998,918	91,726,514
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	11,700,511		11,700,511	15,863,923
16.2 Funds held by or deposited with reinsured companies	81,031,669		81,031,669	77,909,785
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	37,917,147		37,917,147	46,544,556
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	7,064,362	5,177,662	1,886,700	1,709,149
21. Furniture and equipment, including health care delivery assets (\$0)	3,150,566	3,150,566		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,870,434		1,870,434	4,080,518
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	73,839,744	32,856,217	40,983,527	36,149,749
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,378,563,153	42,730,142	1,335,833,011	1,272,050,376
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,378,563,153	42,730,142	1,335,833,011	1,272,050,376
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. ICOLI cash surrender value	38,116,328		38,116,328	33,083,137
2502. Pooled general expenses receivable	2,560,104		2,560,104	2,750,331
2503. Equities and deposits in pools and associations	307,095		307,095	316,280
2598. Summary of remaining write-ins for Line 25 from overflow page	32,856,217	32,856,217		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	73,839,744	32,856,217	40,983,527	36,149,749

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	295,320,063	300,235,516
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	13,627,139	18,663,517
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	77,154,980	79,535,266
4. Commissions payable, contingent commissions and other similar charges	15,827,440	13,784,354
5. Other expenses (excluding taxes, licenses and fees)	4,892,436	4,759,131
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	5,747,136	5,173,170
7.1 Current federal and foreign income taxes (including \$6,388,233 on realized capital gains (losses))	2,262,739	259,484
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$91,784,653 and including warranty reserves of \$0 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	216,607,599	203,810,426
10. Advance premium	3,577,170	3,382,742
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	5,322,234	5,384,266
12. Ceded reinsurance premiums payable (net of ceding commissions)	21,416,621	18,160,596
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	53,053,130	50,203,859
14. Amounts withheld or retained by company for account of others	4,149,663	17,238,654
15. Remittances and items not allocated	720,056	1,442,061
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 8)	52,182	179,699
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	2,840,394	2,299,369
20. Derivatives		
21. Payable for securities		26,271
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	44,477,740	66,950,947
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	767,048,720	791,489,327
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	767,048,720	791,489,327
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	568,784,291	480,561,049
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	568,784,291	480,561,049
38. TOTALS (Page 2, Line 28, Col. 3)	1,335,833,011	1,272,050,376
DETAILS OF WRITE-INS		
2501. Retiree benefit obligations	39,477,541	61,162,116
2502. Pooled general expenses payable	3,423,031	4,263,616
2503. State surcharges payable	603,204	617,032
2598. Summary of remaining write-ins for Line 25 from overflow page	973,964	908,183
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	44,477,740	66,950,947
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	467,186,555	448,979,455
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	251,667,599	264,472,212
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	60,613,712	53,987,224
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	169,898,505	161,863,728
5. Aggregate write-ins for underwriting deductions	(1,340)	(5,076)
6. Total underwriting deductions (Lines 2 through 5)	482,178,476	480,318,088
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(14,991,921)	(31,338,633)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	30,488,521	25,804,464
10. Net realized capital gains or (losses) less capital gains tax of \$ 6,638,147 (Exhibit of Capital Gains (Losses))	16,627,338	8,531,841
11. Net investment gain (loss) (Lines 9 + 10)	47,115,859	34,336,305
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 32,001 amount charged off \$ 595,912)	(563,911)	(433,337)
13. Finance and service charges not included in premiums	2,972,529	2,683,694
14. Aggregate write-ins for miscellaneous income	4,755,318	3,855,188
15. Total other income (Lines 12 through 14)	7,163,937	6,105,545
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	39,287,875	9,103,218
17. Dividends to policyholders	5,816,505	5,420,331
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	33,471,370	3,682,887
19. Federal and foreign income taxes incurred	(4,446,482)	(3,591,700)
20. Net income (Line 18 minus Line 19)(to Line 22)	37,917,852	7,274,586
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	480,561,049	460,847,033
22. Net income (from Line 20)	37,917,852	7,274,586
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 8,662,405	14,005,941	14,232,271
25. Change in net unrealized foreign exchange capital gain (loss)	293,221	131,595
26. Change in net deferred income tax	12,585,473	3,550,522
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(1,256,136)	15,861,915
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	127,517	(18,516)
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	24,549,376	(21,318,357)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	88,223,242	19,714,015
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	568,784,291	480,561,049
DETAILS OF WRITE-INS		
0501. Change in premium deficiency reserve	(1,340)	(5,076)
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	(1,340)	(5,076)
1401. Change in ICOLI cash surrender value	5,033,190	4,183,918
1402. Gain / (loss) on equipment disposals	42,377	10,496
1403. Miscellaneous income or expense	5,729	8,005
1498. Summary of remaining write-ins for Line 14 from overflow page	(325,979)	(347,231)
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	4,755,318	3,855,188
3701. Net change retiree benefit obligations	23,307,621	(12,569,515)
3702. Prior period income/(expense) adjustment	774,855	
3703. Prior period residual market equity adjustment	466,900	
3798. Summary of remaining write-ins for Line 37 from overflow page		(8,748,842)
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	24,549,377	(21,318,357)

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	472,763,289	446,305,818
2. Net investment income	36,518,822	31,406,495
3. Miscellaneous income	7,163,937	6,105,545
4. Total (Lines 1 through 3)	516,446,048	483,817,859
5. Benefit and loss related payments	258,631,156	271,862,909
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	230,828,731	221,955,922
8. Dividends paid to policyholders	5,878,537	5,327,506
9. Federal and foreign income taxes paid (recovered) net of \$3,781,210 tax on capital gains (losses)	188,410	(1,740,100)
10. Total (Lines 5 through 9)	495,526,833	497,406,237
11. Net cash from operations (Line 4 minus Line 10)	20,919,214	(13,588,378)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	135,450,714	125,576,348
12.2 Stocks	65,527,357	32,314,219
12.3 Mortgage loans	20,213	331,916
12.4 Real estate		122,718
12.5 Other invested assets	4,119,458	3,892,020
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	12,475	32,499
12.8 Total investment proceeds (Lines 12.1 to 12.7)	205,130,217	162,269,721
13. Cost of investments acquired (long-term only):		
13.1 Bonds	177,286,894	123,296,063
13.2 Stocks	37,523,987	16,762,788
13.3 Mortgage loans		
13.4 Real estate	2,241,126	1,104,947
13.5 Other invested assets	4,975,475	7,526,259
13.6 Miscellaneous applications	26,271	634,315
13.7 Total investments acquired (Lines 13.1 to 13.6)	222,053,752	149,324,373
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(16,923,535)	12,945,348
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(1,506,383)	4,169,722
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,506,383)	4,169,722
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,489,296	3,526,691
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	10,352,876	6,826,185
19.2 End of period (Line 18 plus Line 19.1)	12,842,172	10,352,876

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	6,369,382	3,321,100	3,388,851	6,301,631
2.	Allied lines	6,077,759	2,878,255	3,319,397	5,636,617
3.	Farmowners multiple peril	4,642,056	2,115,630	2,151,014	4,606,672
4.	Homeowners multiple peril	92,850,456	49,739,863	50,727,044	91,863,276
5.	Commercial multiple peril	49,499,347	24,659,676	26,606,770	47,552,253
6.	Mortgage guaranty				
8.	Ocean marine	210,615	110,730	108,558	212,787
9.	Inland marine	12,743,638	6,172,122	6,665,405	12,250,355
10.	Financial guaranty				
11.1	Medical professional liability - occurrence				
11.2	Medical professional liability - claims-made				
12.	Earthquake	1,349,529	707,830	726,461	1,330,898
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health	8,003	1,068	567	8,505
16.	Workers' compensation	44,523,465	19,471,383	18,509,342	45,485,506
17.1	Other liability - occurrence	48,474,881	21,113,021	23,019,952	46,567,951
17.2	Other liability - claims-made	478,670			478,670
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	3,748,224	1,508,609	1,645,871	3,610,962
18.2	Products liability - claims-made				
19.1, 19.2	Private passenger auto liability	75,457,878	23,409,331	26,708,532	72,158,677
19.3, 19.4	Commercial auto liability	46,308,138	20,176,728	21,728,155	44,756,712
21.	Auto physical damage	77,515,925	27,159,027	29,889,388	74,785,564
22.	Aircraft (all perils)				
23.	Fidelity	637,994	270,348	308,286	600,056
24.	Surety	8,298	11,464	2,233	17,529
26.	Burglary and theft	658,328	288,558	300,060	646,826
27.	Boiler and machinery	747,403	437,285	446,327	738,360
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance - nonproportional assumed property	5,499,498	214,226	286,527	5,427,196
32.	Reinsurance - nonproportional assumed liability	2,174,240	44,170	68,860	2,149,550
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	479,983,728	203,810,426	216,607,599	467,186,555
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	3,388,851				3,388,851
2.	Allied lines	3,319,397				3,319,397
3.	Farmowners multiple peril	2,151,014				2,151,014
4.	Homeowners multiple peril	50,727,044				50,727,044
5.	Commercial multiple peril	26,606,770				26,606,770
6.	Mortgage guaranty					
8.	Ocean marine	108,558				108,558
9.	Inland marine	6,665,405				6,665,405
10.	Financial guaranty					
11.1	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake	726,461				726,461
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health	567				567
16.	Workers' compensation	18,509,342				18,509,342
17.1	Other liability - occurrence	23,019,952				23,019,952
17.2	Other liability - claims-made					
17.3	Excess workers' compensation					
18.1	Products liability - occurrence	1,645,871				1,645,871
18.2	Products liability - claims-made					
19.1, 19.2	Private passenger auto liability	26,708,532				26,708,532
19.3, 19.4	Commercial auto liability	21,728,155				21,728,155
21.	Auto physical damage	29,889,388				29,889,388
22.	Aircraft (all perils)					
23.	Fidelity	308,286				308,286
24.	Surety	2,233				2,233
26.	Burglary and theft	300,060				300,060
27.	Boiler and machinery	446,327				446,327
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance - nonproportional assumed property	286,527				286,527
32.	Reinsurance - nonproportional assumed liability	68,860				68,860
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	216,607,599				216,607,599
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					216,607,599
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

(a) State here basis of computation used in each case Daily method

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN						
Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2	3	4	5	Net Premiums Written Cols. 1+2+3-4-5
1. Fire	3,478,683	5,472,129	348,434	2,665,203	264,661	6,369,382
2. Allied lines	2,991,711	5,559,453	265,275	2,543,176	195,505	6,077,759
3. Farmowners multiple peril		6,260,364	324,113	1,942,421		4,642,056
4. Homeowners multiple peril	84,952,982	48,972,360	3,514,316	38,852,319	5,736,883	92,850,456
5. Commercial multiple peril	41,417,460	31,662,023	2,247,198	20,712,493	5,114,841	49,499,347
6. Mortgage guaranty						
8. Ocean marine	316,305			88,130	17,561	210,615
9. Inland marine	11,604,317	7,777,470	47	5,332,444	1,305,751	12,743,638
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	1,929,204	160,137		564,696	175,116	1,349,529
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health		11,352		3,349		8,003
16. Workers' compensation	22,088,664	41,381,555	185,317	18,630,386	501,685	44,523,465
17.1 Other liability - occurrence	48,420,768	22,084,352	(2,281)	20,283,816	1,744,143	48,474,881
17.2 Other liability - claims-made		104,988	573,977	200,295		478,670
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	2,946,228	2,380,048		1,568,406	9,647	3,748,224
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	79,887,793	26,677,803	726,979	31,574,573	260,124	75,457,878
19.3, 19.4 Commercial auto liability	44,160,308	21,737,952	27,366	19,377,164	240,324	46,308,138
21. Auto physical damage	78,878,978	33,141,699	522	32,435,742	2,069,532	77,515,925
22. Aircraft (all perils)						
23. Fidelity	857,208	50,499		266,962	2,751	637,994
24. Surety		11,770		3,472		8,298
26. Burglary and theft	292,537	641,990	213	275,471	942	658,328
27. Boiler and machinery	2,284,610	464,695		312,743	1,689,159	747,403
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - nonproportional assumed property	XXX		7,800,706	2,301,208		5,499,498
32. Reinsurance - nonproportional assumed liability	XXX		3,084,029	909,789		2,174,240
33. Reinsurance - nonproportional assumed financial lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	426,507,756	254,552,640	19,096,211	200,844,255	19,328,624	479,983,728
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$

 2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	1,343,294	2,233,314	1,055,099	2,521,509	713,265	937,943	2,296,831	36.4
2.	Allied lines	1,151,886	3,255,801	1,302,862	3,104,826	641,361	810,168	2,936,019	52.1
3.	Farmowners multiple peril		2,673,024	788,542	1,884,482	445,869	714,775	1,615,576	35.1
4.	Homeowners multiple peril	42,621,177	38,172,707	24,405,343	56,388,541	15,028,792	19,051,480	52,365,853	57.0
5.	Commercial multiple peril	16,837,846	20,679,504	11,309,679	26,207,670	18,858,076	21,570,286	23,495,460	49.4
6.	Mortgage guaranty								
8.	Ocean marine	113,444	632	33,669	80,406	4,639	15,432	69,613	32.7
9.	Inland marine	2,283,190	2,008,640	1,276,843	3,014,987	723,285	874,152	2,864,120	23.4
10.	Financial guaranty								
11.1	Medical professional liability - occurrence								
11.2	Medical professional liability - claims-made								
12.	Earthquake								
13.	Group accident and health								
14.	Credit accident and health (group and individual)								
15.	Other accident and health		16,745	4,940	11,805	9,870	15,510	6,165	72.5
16.	Workers' compensation	14,050,815	23,133,889	11,306,026	25,878,679	73,056,258	64,718,085	34,216,852	75.2
17.1	Other liability - occurrence	14,124,867	7,065,374	6,245,654	14,944,587	48,079,829	47,822,067	15,202,349	32.6
17.2	Other liability - claims-made		62,905	18,557	44,348			44,348	9.3
17.3	Excess workers' compensation								
18.1	Products liability - occurrence	416,149	563,115	288,883	690,381	7,761,789	5,926,580	2,525,590	69.9
18.2	Products liability - claims-made								
19.1, 19.2	Private passenger auto liability	49,428,870	19,123,340	21,697,860	46,854,350	53,167,264	55,606,001	44,415,612	61.6
19.3, 19.4	Commercial auto liability	20,067,848	14,358,724	10,167,671	24,258,900	50,192,190	55,516,405	18,934,686	42.3
21.	Auto physical damage	44,025,780	19,778,307	18,863,073	44,941,014	3,966,168	3,956,281	44,950,902	60.1
22.	Aircraft (all perils)								
23.	Fidelity	234,030	(2,565)	68,282	163,183	146,640	82,838	226,985	37.8
24.	Surety					38,070	60,630	(22,560)	(128.7)
26.	Burglary and theft	42,678	393,902	128,791	307,789	80,926	353,235	35,479	5.5
27.	Boiler and machinery	545,193	46,008	558,766	32,435	(45,425)	(4,934)	(8,056)	(1.1)
28.	Credit								
29.	International								
30.	Warranty								
31.	Reinsurance - nonproportional assumed property	XXX	5,108,404	1,506,979	3,601,425	5,617,710	6,530,987	2,688,147	49.5
32.	Reinsurance - nonproportional assumed liability	XXX	2,342,888	691,152	1,651,736	16,833,487	15,677,596	2,807,627	130.6
33.	Reinsurance - nonproportional assumed financial lines	XXX							
34.	Aggregate write-ins for other lines of business								
35.	TOTALS	207,287,066	161,014,658	111,718,672	256,583,052	295,320,063	300,235,516	251,667,599	53.9
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire	255,693	506,215	224,763	537,145	71,000	178,816	73,696	713,265	47,171
2.	Allied lines	103,127	665,183	226,651	541,658	113,000	65,422	78,719	641,361	104,811
3.	Farmowners multiple peril		454,205	133,990	320,214		178,234	52,579	445,869	75,400
4.	Homeowners multiple peril	7,436,126	7,469,047	4,401,882	10,503,291	5,622,417	1,603,734	2,700,650	15,028,792	3,395,304
5.	Commercial multiple peril	4,262,607	9,934,494	4,358,776	9,838,325	2,020,729	10,933,244	3,934,222	18,858,076	4,617,190
6.	Mortgage guaranty									
8.	Ocean marine	4,502	2,078	1,941	4,639				4,639	1,330
9.	Inland marine	455,378	277,030	216,061	516,348	96,000	197,528	86,591	723,285	113,354
10.	Financial guaranty									
11.1	Medical professional liability - occurrence									
11.2	Medical professional liability - claims-made									
12.	Earthquake									
13.	Group accident and health		0		0				(a) 0	
14.	Credit accident and health (group and individual)									
15.	Other accident and health						14,000	4,130	(a) 9,870	
16.	Workers' compensation	22,371,218	43,587,379	22,336,406	43,622,191	16,266,782	25,540,668	12,373,383	73,056,258	13,053,160
17.1	Other liability - occurrence	23,107,391	9,916,380	10,291,264	22,732,507	27,296,748	8,979,899	10,929,326	48,079,829	23,606,232
17.2	Other liability - claims-made									
17.3	Excess workers' compensation									
18.1	Products liability - occurrence	3,148,501	2,574,143	1,701,580	4,021,065	2,739,209	2,586,783	1,585,268	7,761,789	5,182,546
18.2	Products liability - claims-made									
19.1, 19.2	Private passenger auto liability	44,230,419	15,655,634	21,426,608	38,459,444	14,517,465	6,344,690	6,154,336	53,167,264	11,593,355
19.3, 19.4	Commercial auto liability	23,774,439	17,537,714	12,440,976	28,871,177	16,811,625	13,801,948	9,292,559	50,192,190	13,718,751
21.	Auto physical damage	3,342,401	1,205,907	1,341,751	3,206,557	1,104,000	19,463	363,852	3,966,168	1,096,735
22.	Aircraft (all perils)									
23.	Fidelity	195,000	0	57,525	137,475	13,000		3,835	146,640	22,403
24.	Surety		51,000	15,045	35,955		3,000	885	38,070	12,283
26.	Burglary and theft	5,500	48,125	15,819	37,806	5,000	56,163	18,043	80,926	10,209
27.	Boiler and machinery	127,930	(70,682)	102,672	(45,425)				(45,425)	5,957
28.	Credit									
29.	International									
30.	Warranty									
31.	Reinsurance - nonproportional assumed property	XXX	3,957,415	1,167,437	2,789,978	XXX	4,010,968	1,183,235	5,617,710	222,878
32.	Reinsurance - nonproportional assumed liability	XXX	7,080,456	2,088,735	4,991,722	XXX	16,796,830	4,955,065	16,833,487	275,910
33.	Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34.	Aggregate write-ins for other lines of business									
35.	TOTALS	132,820,231	120,851,723	82,549,883	171,122,071	86,676,975	91,311,390	53,790,373	295,320,063	77,154,980
DETAILS OF WRITE-INS										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page									
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

(a) Including \$ 0 for present value of life indemnity claims.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	11,356,042			11,356,042
1.2 Reinsurance assumed	13,304,957			13,304,957
1.3 Reinsurance ceded	7,353,049			7,353,049
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	17,307,951			17,307,951
2. Commission and brokerage:				
2.1 Direct excluding contingent		66,092,066		66,092,066
2.2 Reinsurance assumed, excluding contingent		42,774,351		42,774,351
2.3 Reinsurance ceded, excluding contingent		32,178,178		32,178,178
2.4 Contingent - direct		9,473,288		9,473,288
2.5 Contingent - reinsurance assumed		5,383,200		5,383,200
2.6 Contingent - reinsurance ceded		4,524,270		4,524,270
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		87,020,457		87,020,457
3. Allowances to managers and agents		4,306		4,306
4. Advertising		2,258,322		2,258,322
5. Boards, bureaus and associations	200,854	2,236,922		2,437,776
6. Surveys and underwriting reports		6,392,681		6,392,681
7. Audit of assureds' records		55,912		55,912
8. Salary and related items:				
8.1 Salaries	18,519,931	27,772,954	207,345	46,500,229
8.2 Payroll taxes	1,313,670	1,982,647	12,691	3,309,008
9. Employee relations and welfare	8,865,283	11,986,521	120,664	20,972,467
10. Insurance	181,072	225,161	2,864	409,096
11. Directors' fees	229,167	482,985	4,345	716,496
12. Travel and travel items	1,419,944	2,000,953	16,108	3,437,006
13. Rent and rent items	1,887,337	2,829,349	41,956	4,758,641
14. Equipment	2,159,467	4,317,419	83,927	6,560,814
15. Cost or depreciation of EDP equipment and software	975,442	1,484,753	26,073	2,486,269
16. Printing and stationery	176,158	453,753	10,319	640,230
17. Postage, telephone and telegraph, exchange and express	884,027	2,906,733	26,326	3,817,085
18. Legal and auditing	109,647	177,030	1,092,057	1,378,734
19. Totals (Lines 3 to 18)	36,921,998	67,568,400	1,644,675	106,135,074
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$(2,005)		9,729,713		9,729,713
20.2 Insurance department licenses and fees		582,944		582,944
20.3 Gross guaranty association assessments		145,966		145,966
20.4 All other (excluding federal and foreign income and real estate)		104,939		104,939
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		10,563,561		10,563,561
21. Real estate expenses	(6)		6,006,001	6,005,996
22. Real estate taxes			815,840	815,840
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	6,383,768	4,746,087	83,894	11,213,749
25. Total expenses incurred	60,613,712	169,898,505	8,550,410	(a) 239,062,627
26. Less unpaid expenses - current year	77,154,980	25,062,005	1,405,006	103,621,991
27. Add unpaid expenses - prior year	79,535,266	22,338,907	1,377,748	103,251,921
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	62,993,998	167,175,407	8,523,152	238,692,556
DETAILS OF WRITE-INS				
2401. Consulting fees	1,941,716	3,199,394	46,290	5,187,400
2402. Other unallocated expenses	3,309,491			3,309,491
2403. Data services	627,506	420,617	22,895	1,071,018
2498. Summary of remaining write-ins for Line 24 from overflow page	505,056	1,126,076	14,709	1,645,841
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	6,383,768	4,746,087	83,894	11,213,749

(a) Includes management fees of \$0 to affiliates and \$0 to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....3,960,157	.....3,855,263
1.1	Bonds exempt from U.S. tax	(a) .....6,264,961	.....6,422,445
1.2	Other bonds (unaffiliated)	(a) .....11,167,093	.....11,092,524
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....5,409,367	.....5,431,098
2.21	Common stocks of affiliates .....	.....4,898,629	.....4,838,951
3.	Mortgage loans	(c) .....14,035	.....14,035
4.	Real estate	(d) .....7,350,066	.....7,350,066
5	Contract loans .....	.....	.....
6	Cash, cash equivalents and short-term investments	(e) .....18,058	.....18,058
7	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....1,270,295	.....1,270,294
9.	Aggregate write-ins for investment income .....	.....22,471	.....21,446
10.	Total gross investment income	40,375,131	40,314,180
11.	Investment expenses		(g) .....7,734,570
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....815,840
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) .....1,275,250
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	Total deductions (Lines 11 through 15) .....		.....9,825,659
17.	Net investment income (Line 10 minus Line 16)		30,488,521
DETAILS OF WRITE-INS			
0901.	Security lending income .....	.....21,056	.....20,032
0902.	Miscellaneous income .....	.....1,414	.....1,414
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	.....22,471	.....21,446
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		

- (a) Includes \$283,898 accrual of discount less \$4,950,740 amortization of premium and less \$560,535 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (d) Includes \$5,079,602 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
- (e) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$1,275,250 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....647,605	.....	.....647,605	.....(302,824)	.....
1.1	Bonds exempt from U.S. tax .....	.....2,038,377	.....	.....2,038,377	.....	.....
1.2	Other bonds (unaffiliated) .....	.....1,164,413	.....	.....1,164,413	.....(98,631)	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....19,922,959	.....(51,037)	.....19,871,922	.....22,447,645	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....(1,661,812)	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....(1,552)	.....	.....(1,552)	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....(435,354)	.....(26,834)	.....(462,188)	.....2,283,967	.....293,221
9.	Aggregate write-ins for capital gains (losses) .....	.....6,909	.....	.....6,909	.....	.....
10.	Total capital gains (losses)	23,343,356	(77,871)	23,265,485	22,668,345	293,221
DETAILS OF WRITE-INS						
0901.	Litigation proceeds .....	.....6,909	.....	.....6,909	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	6,909		6,909		

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks	7,889	10,798	2,909
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	7,889	10,798	2,909
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	2,194	2,553	359
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,535,613	998,686	(536,927)
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	5,177,662	4,250,670	(926,992)
21. Furniture and equipment, including health care delivery assets	3,150,566	3,218,983	68,416
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	32,856,217	32,992,315	136,099
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	42,730,142	41,474,006	(1,256,136)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	42,730,142	41,474,006	(1,256,136)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Prepaid pension	28,926,377	27,607,462	(1,318,914)
2502. Automobiles	2,370,598	3,035,645	665,047
2503. Prepaid post retirement health care	707,036	1,497,423	790,387
2598. Summary of remaining write-ins for Line 25 from overflow page	852,206	851,785	(421)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	32,856,217	32,992,315	136,099

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

This statement has been completed in accordance with the accounting practices and procedures prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio. A reconciliation of the company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below.

<u>Net Income</u>	<u>State of Domicile</u>	<u>Period Ended December 31, 2013</u>	<u>Period Ended December 31, 2012</u>
(1) Motorists Mutual Insurance Company state basis	Ohio	37,917,852	7,274,586
(2) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(4) NAIC SAP	Ohio	37,917,852	7,274,586
<u>Surplus</u>			
(5) Motorists Mutual Insurance Company state basis	Ohio	568,784,291	480,561,049
(6) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(8) NAIC SAP	Ohio	568,784,291	480,561,049

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles as described in the *NAIC Annual Statement Instructions* and the *Accounting Practices and Procedures Manual* requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of the premiums written. Such reserves are computed using the daily method for direct business and are based on reports received from ceding companies and/or pools for assumed business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- 3) Common stocks are valued at market. However, investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are valued using the equity basis.
- 4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32: Investments in Preferred Stock.
- 5) The company's mortgage loan reflects the outstanding balances of the original loan, which was established using market assessments and information provided by the U.S. Department of Housing and Urban Development.
- 6) Loan-backed securities are stated in accordance with the guidance provided in SSAP No. 43R: Loan-backed and Structured Securities. The retrospective adjustment method is used to value these securities.
- 7) The company owns 70% of the common stock of Motorists Life Insurance Company, a life insurer; 100% of the common stock of MICO Insurance Company, a property/casualty insurer; and 100% of the common stock of Motorists Service Corporation, a staffing company. Motorists Life Insurance Company and MICO Insurance Company are valued on an equity basis as described in Part 5, Section 2ciB1 of the *Securities Valuation Handbook*. Motorists Service Corporation is valued on an equity basis as described in Part 5, Section 2ciB2 of the *Securities Valuation Handbook*.
- 8) The company has investments in limited partnerships and limited liability companies. In accordance with SSAP No. 48: Joint Ventures, Partnerships and Limited Liability Companies, the investments are recorded using the equity method of accounting based on the underlying audited U.S. GAAP equity values of the holdings. The company also has partnership investments in low income housing tax credit properties. In accordance with SSAP No. 93: Accounting for Low Income Housing Tax Credit Property Investments, the investments are reported at amortized cost.
- 9) The company does not hold any derivative securities.
- 10) The company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53: Property/Casualty Contracts – Premiums.
- 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported (IBNR). Such liabilities are necessarily based on assumptions and estimates. While management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- 12) The company has not modified its capitalization policy from the prior period.
- 13) The company does not have any pharmaceutical rebate receivables to report.

2. Accounting Changes and Corrections of Errors

During 2013, Motorists Mutual Insurance Company, Motorists Commercial Mutual Insurance Company, and Iowa Mutual Insurance Company received a collective \$1,099,085 of funds associated with a class action settlement with American International Group (AIG). The settlement effectively recompensed the companies for AIG's underreporting of premiums to the National Workers' Compensation Pool between 1985 and 1996. All funds received were accumulated and distributed in accordance with The Motorists Insurance Group's intercompany reinsurance pooling agreement (reference Note 26). The company's pool share of the proceeds (\$774,855) is reflected as an aggregate write-in for gains and losses in surplus (page 4, column 1, line 37).

In December 2013, Phenix Mutual Fire Insurance Company, an intercompany reinsurance pool participant, discovered it had understated its equity in the Massachusetts FAIR Plan by \$662,269 as of December 31, 2012. The company's pool share of the prior period equity adjustment (\$466,900) is reflected as an aggregate write-in for gains and losses in surplus (page 4, column 1, line 37).

3. Business Combinations and Goodwill

The company did not have any business combination or goodwill transactions during the periods reported.

4. Discontinued Operations

The company did not discontinue any of its operations during the periods reported.

5. Investments

- A. The company did not have any mezzanine real estate loans during the periods reported. As of December 31, 2013, the company held one residential mortgage loan. Pertinent details are provided below.

- 1) The loan has a stated interest rate of 5.0%.
- 2) The company did not reduce the interest rates on its outstanding mortgage loans during 2013.
- 3) The maximum percentage of any one loan to the value of security at the time of the loan was 100%.
- 4 - 12) As of December 31, 2013, the loan was in "good-standing." All loan repayments were received in accordance with the terms of the associated mortgage contract.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- B. The company was not involved in any debt restructuring during the periods reported.
- C. The company did not have any reverse mortgages during the periods reported.
- D. Loan-Backed Securities

- 1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from market data vendors or broker dealer values.
- 2) The company held other-than-temporary impaired loan-backed securities as listed below.

		(1)	(2)	(3)
		Amortized Cost Basis Before Other-than-Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss	Fair Value (1 minus 2)
a.	Intent to Sell	-	-	-
b.	Inability or Lack of Intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	836,310	-	836,310
c.	Total 1st Quarter	836,310	-	836,310
d.	Intent to Sell	-	-	-
e.	Inability or Lack of Intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	808,239	-	808,239
f.	Total 2nd Quarter	808,239	-	808,239
g.	Intent to Sell	-	-	-
h.	Inability or Lack of Intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	781,435	-	781,435
i.	Total 3rd Quarter	781,435	-	781,435
j.	Intent to Sell	-	-	-
k.	Inability or Lack of Intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	765,539	-	765,539
l.	Total 4th Quarter	765,539	-	765,539
Annual Aggregate Total			-	

- 3) The company did not hold any loan-backed securities with current year other-than-temporary recognized losses.
- 4) The financial impact of the company's impaired securities (fair value is less than cost or amortized cost) for which other-than temporary impairments have not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains) is listed below.
- a. The aggregate amount of unrealized losses:
- | | | |
|----|---------------------|-----------|
| 1. | Less than 12 months | 2,750,478 |
| 2. | 12 months or longer | 60,495 |
- b. The aggregate related fair value of securities with unrealized losses:
- | | | |
|----|---------------------|------------|
| 1. | Less than 12 months | 65,701,103 |
| 2. | 12 months or longer | 2,138,608 |
- 5) The company performed an analysis of loan-backed securities and determined that exposure to credit risk was not a factor and did not warrant any other-than-temporary impairments.

- E. The company did not have any repurchase agreements or relevant securities lending transactions during the periods reported.

F. Real Estate

- 1) The company did not recognize any impairment losses for investments in real estate during the periods reported.
- 2) The company did not sale or have classified real estate investment held for sale during the periods reported.
- 3) The company did not experience any changes to its plans of sale for its real estate investments during the periods reported.
- 4) The company did not engage in retail land sales operations during the periods reported.

G. The company invested in a low income housing tax credit (LIHTC) fund during 2013.

- 1) As of December 31, 2013, the company's LIHTC investments had 5 years of unexpired tax credits remaining. There is not a required holding period for the LIHTC investments.
- 2) As of the date of this publication, there were not any underlying properties in the LIHTC funds known to be under regulatory review.
- 3) In aggregate, the company's LIHTC investments did not exceed 10% of total admitted assets during 2013.
- 4) The company did not recognize any impairment losses on LIHTC investments during 2013.
- 5) The company did not make any write-downs or reclassifications due to forfeitures, ineligibility of low income housing tax credits, or other reasons during 2013.

H. Restricted Assets

- 1) The company held restricted assets as listed below.

Restricted Asset Category	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale	-	-	-	-	-	-	-	-	-	-
i. On deposit with states	1,758,333				1,758,333	1,711,765	46,568	1,758,333	0.13%	0.13%
j. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	-
k. Pledged as collateral not captured in other categories	24,795,133	-	-	-	24,795,133	24,771,241	23,892	24,795,133	1.80%	1.86%
l. Other restricted assets	-	-	-	-	-	-	-	-	-	-
m. Total Restricted Assets	26,553,466	-	-	-	26,553,466	26,483,006	70,460	26,553,466	1.93%	1.99%

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- 2) The company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati, Ohio. Through its membership, the company has access to cash advances in the amount of \$20,000,000. It is the company's intent to use these funds as a backup source of liquidity.

Description of Asset	Gross Restricted					8		Percentage		
	Current Year					6	7	9	10	
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
U S Treasury Notes #912810FR4	1,603,175	0	0	0	1,603,175	1,597,382	5,793	1,603,175	0.12%	0.12%
U S Treasury Notes #912810PZ5	3,889,389	0	0	0	3,889,389	3,871,328	18,061	3,889,389	0.28%	0.29%
U S Treasury Notes #912828ET3	6,100,600	0	0	0	6,100,600	6,147,804	-47,203	6,100,600	0.44%	0.46%
U S Treasury Notes #912828GD6	3,636,531	0	0	0	3,636,531	3,646,468	-9,937	3,636,531	0.26%	0.27%
U S Treasury Notes #912828JE1	3,513,274	0	0	0	3,513,274	3,500,691	12,583	3,513,274	0.25%	0.26%
U S Treasury Notes #912828MY3	6,052,164	0	0	0	6,052,164	6,007,568	44,595	6,052,164	0.44%	0.45%
Total	24,795,133	0	0	0	24,795,133	24,771,241	23,892	24,795,133	1.80%	1.86%

- 3) The company did not have any other restricted assets.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The company did not have any investments in joint ventures, partnerships or limited liability companies that exceeded 10% of admitted assets during the periods reported.
- B. The company did not recognize any impairment write-downs for investments in joint ventures, partnerships or limited liability companies during the periods reported.

7. Investment Income

- A. The company did not exclude any due and accrued investment income from surplus during the periods reported.
- B. The total amount excluded was \$0.

8. Derivative Instruments

The company did not own derivative financial instruments during the periods reported.

9. Income Taxes

- A. The components of the company's deferred tax assets (DTAs) and deferred tax liabilities (DTLs) and the change between the years are as follows:

A. The components of the company's deferred tax assets (DTAs) and deferred tax liabilities (DTLs) and the change between the years are as follows:

		12/31/2013			12/31/2012			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
1	Gross Deferred Tax Assets	62,656,800	1,756,700	64,413,500	78,450,854	2,909,049	81,359,903	(15,794,054)	(1,152,349)	(16,946,403)
a	Statutory Valuation Allowance Adjustment	-	-	-	17,043,143	-	17,043,143	(17,043,143)	-	(17,043,143)
b	Adjusted Gross Deferred Tax Assets(1a-1b)	62,656,800	1,756,700	64,413,500	61,407,711	2,909,049	64,316,760	1,249,089	(1,152,349)	96,740
c	Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
d	Subtotal Net Deferred Tax Assets(Liabilities) (1c-1d)	62,656,800	1,756,700	64,413,500	61,407,711	2,909,049	64,316,760	1,249,089	(1,152,349)	96,740
e	Deferred Tax Liabilities	1,631,349	24,865,004	26,496,353	1,569,605	16,202,599	17,772,204	61,744	8,662,405	8,724,149
f	Net Admitted Deferred Tax Assets(Liabilities) (1e-1f)	61,025,451	(23,108,304)	37,917,147	59,838,106	(13,293,550)	46,544,556	1,187,345	(9,814,754)	(8,627,409)
2	Admission Calculation Components	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a	Federal income taxes paid in prior years recoverable through loss carrybacks (11a)	719,203	1,471,080	2,190,283	-	-	-	719,203	1,471,080	2,190,283
b	Adjusted gross DTAs expected to be realized after application of the threshold limitations (Lesser of 11bi or 11bii below)	41,618,255	-	41,618,255	46,985,589	2,772,201	49,757,790	(5,367,334)	(2,772,201)	(8,139,535)
1	Adjusted gross DTAs expected to be realized following the balance sheet date (11bi)	41,618,255	-	41,618,255	46,985,589	2,772,201	49,757,790	(5,367,334)	(2,772,201)	(8,139,535)
2	Adjusted gross DTAs allowed per limitation threshold (11bii)	80,038,099	-	80,038,099	61,922,196	2,772,201	64,694,397	18,115,903	(2,772,201)	15,343,702
c	Adjusted gross DTAs offset by gross DTLs (11c)	20,319,342	285,620	20,604,962	14,422,122	136,848	14,558,970	5,897,220	148,772	6,045,992
d	DTAs Admitted as the result of application of SSAP No. 101 (Total 2a+2b+2c)	62,656,800	1,756,700	64,413,500	61,407,711	2,909,049	64,316,760	1,249,089	(1,152,349)	96,740
3	Disclosure of ratios used for threshold limitation	2013		2012						
a	ExDTA ACL RBC % used to determine recovery period and threshold limitation amount in 2(b) above	835		708						
b	Amount of adjusted capital and surplus used to determine recovery period threshold limitation in 2(b)2 above	528,980,444		432,307,344						
4	Impact of Tax Planning Strategies	12/31/2013			12/31/2012		Change			
On the Determination of:		Ordinary	Capital		Ordinary	Capital	Ordinary	Capital		
a	Adjusted Gross DTAs in 1(c) above	62,656,800	1,756,700		61,407,711	2,909,049	1,249,089	(1,152,349)		
	% of Total Adjusted Gross DTAs	22.8%	0.0%		43.2%	0.0%	-20.4%	0.0%		
	Net Admitted Adjusted Gross DTAs in 1(e) above	62,656,800	1,756,700		61,407,711	2,909,049	1,249,089	(1,152,349)		
	% of Total Net Admitted Adjusted Gross DTAs	22.8%	0.0%		43.2%	0.0%	-20.4%	0.0%		
b	Does the company's tax-planning strategies include the use of reinsurance?	Yes			No		X			

- B. There were no temporary differences for which deferred tax liabilities were not recognized.
- C. Current income taxes incurred consist of the following major components:

	Current Income Tax		12/31/2013	12/31/2012	Change
	Federal		(4,446,482)	(3,591,700)	(854,782)
	Foreign		-	-	-
	Subtotal		(4,446,482)	(3,591,700)	(854,782)
	Federal income tax on net capital gains		6,638,147	3,538,563	3,099,584
	Utilization of capital loss carry-forward		-	-	-
	Other		-	-	-
	Federal and foreign income taxes incurred		2,191,665	(53,137)	2,244,802

Deferred income tax assets and liabilities consist of the following major components:

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

		Deferred tax assets:			<u>12/31/2013</u>	<u>12/31/2012</u>	<u>Change</u>
	a	<u>Ordinary</u>					
		Discounting of unpaid losses			13,572,408	15,257,128	(1,684,720)
		Unearned premium reserve			15,412,934	14,503,522	909,412
		Investments			148,984	34,901	114,083
		Policyholders dividends accruals			1,862,782	1,884,493	(21,711)
		Fixed Assets			1,053,989	1,004,427	49,562
		Compensation and benefit accruals			6,177,191	6,026,667	150,524
		Minimum Pension Liability			8,856,264	21,406,741	(12,550,477)
		Nonadmitted Assets			839,347	652,338	187,009
		Net operating loss and contribution carry-forward			4,854,030	11,371,071	(6,517,041)
		Foreign tax, LIHC and AMT credit carry-forward			9,158,703	5,715,941	3,442,762
		Other			720,168	593,625	126,543
	99	Subtotal			62,656,800	78,450,854	(15,794,054)
	b	Statutory Valuation Allowance adjustment			-	17,043,143	(17,043,143)
	c	Nonadmitted			-	-	-
	d	Admitted ordinary deferred tax assets (2a99-2b-2c)			62,656,800	61,407,711	1,249,089
	e	<u>Capital</u>					
		Investments			1,756,700	2,909,049	(1,152,349)
		Net capital loss carry-forward			-	-	-
	99	Subtotal			1,756,700	2,909,049	(1,152,349)
	f	Statutory Valuation Allowance adjustment			-	-	-
	g	Nonadmitted			-	-	-
	h	Admitted capital deferred tax assets (2e99-2f-2g)			1,756,700	2,909,049	(1,152,349)
	i	Admitted deferred tax assets (2d+2h)			64,413,500	64,316,760	96,740

		Deferred Tax Liabilities:					
	a	<u>Ordinary</u>					
		Investments			310,933	313,751	(2,818)
		Fixed Assets			1,320,416	1,255,854	64,562
		Other			-	-	-
	99	Subtotal			1,631,349	1,569,605	61,744
	b	<u>Capital</u>					
		Investments			24,865,004	16,202,599	8,662,405
		Other			-	-	-
	99	Subtotal			24,865,004	16,202,599	8,662,405
	c	Deferred tax liabilities (3a99+3b99)			26,496,353	17,772,204	8,724,149
		Net deferred tax assets/liabilities (2i-3c)			37,917,147	46,544,556	(8,627,409)

D. The company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

				<u>12/31/2013</u>	<u>12/31/2012</u>
		Current income taxes incurred		2,191,665	(53,137)
		Change in deferred income tax		(12,585,473)	(3,550,522)
		(without tax on unrealized gains/losses and min. pension liability)			
		Total income tax reported		(10,393,808)	(3,603,659)
		Income before taxes		40,109,517	7,221,450
		Expected income tax expense (benefit) at 35% statutory rate		14,038,331	2,527,508
		Increase (decrease) in actual tax resulting from:			
		a) Tax exempt interest net of proration		(1,903,851)	(1,898,322)
		b) Dividends received deduction net of proration		(1,567,555)	(616,576)
		c) Change in deferred tax benefit on nonadmitted assets		(447,270)	2,490,626
		d) Low income housing and foreign tax credits		(983,692)	(774,135)
		e) Affiliated dividends due		(468,388)	(489,275)
		f) Recognized partnership income		(823,137)	415,504
		g) Prior year AIG settlement		271,199	-
		h) Rate Differential		-	-
		i) Treasury Inflation Protection securities		(105,988)	228,365
		j) ICOLI		(1,761,617)	(1,464,371)
		k) Nondeductible expenses		117,074	144,008
		l) Tax free contribution		(81,923)	-
		m) Change in Valuation Allowance		(17,043,143)	(4,989,609)
		n) Provision to return adjustment		645,248	758,087
		o) Other		(279,097)	64,531
		Total income tax reported		(10,393,808)	(3,603,659)

E. 1) As of December 31, 2013, the company had the following operating loss and tax credits carry-forwards:

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NOTES TO FINANCIAL STATEMENTS

	Operating loss carry-forwards	<u>Origination Year</u>	<u>Expiration Year</u>	<u>Amount</u>
		2011	2031	4,045,596
		2012	2032	9,823,060
		Total		13,868,656
	Low income housing credit carry-forwards	<u>Origination Year</u>	<u>Expiration Year</u>	<u>Amount</u>
		2009	2019	1,068,983
		2010	2020	719,737
		2011	2021	572,595
		2012	2022	782,508
		2013	2023	652,275
		Total		3,796,098
	Foreign tax credit carry-forwards	<u>Origination Year</u>	<u>Expiration Year</u>	<u>Amount</u>
		2009	2019	77,608
		2010	2020	12,290
		2011	2021	14,875
		2012	2022	3,765
		Total		108,538
	Research & experimentation credit carry-forwards	<u>Origination Year</u>	<u>Expiration Year</u>	<u>Amount</u>
		2011	2021	166,116
		2012	2022	156,342
		Total		322,458

The company also had an alternative minimum tax credit carryover in the amount of \$4,920,899, which does not have an expiration date.

- 2) The amounts of federal income taxes incurred that are available for recoupment in the event of future net losses are as follows:

	2013 (current year)	2,190,283
	2012 (current year - 1)	-
	2011 (current year - 2)	-

- 3) The company did not have any deposits admitted under Section 6603 of the Internal Revenue Service (IRS) Code as of December 31, 2013.

- F. 1) The company's federal income tax return was consolidated with the following entities:
- MICO Insurance Company
Motorists Service Corporation
- 2) The method of allocation between the companies is subject to written agreement, approved by the board of directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled annually when the federal income tax return is filed.
- G. As of December 31, 2013, the company did not have any federal or foreign income tax loss contingencies.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. - C. On January 2, 2011, Phenix Mutual Fire Insurance Company sold its 44.8% equity interest in N.E. Corporation, the parent of Casco Indemnity Company, to Ohio Mutual Insurance Company for \$3,824,316. Phenix Mutual realized a net capital gain of \$60,511 as a result of the sale. Per the terms of the sale agreement, Phenix deposited \$448,000 of its proceeds in an escrow account. In the event of unfavorable development on the loss reserves reported by Casco Indemnity Company as of December 31, 2010, Phenix Mutual may be required to return all or a portion of the funds to Ohio Mutual. The loss development tracking period extends through December 31, 2013, with a final settlement to be made in 2014. The development results are presently under review, and the funds on deposit have been nonadmitted in Phenix Mutual's financial statement.
- D. As of December 31, 2013, and 2012, the company reported net amounts due from/(due to) affiliates of \$(969,961) and \$1,781,149, respectively. All amounts were settled within 30 days.
- E. The company did not have any guarantees or undertakings for the benefit of an affiliate or related party that resulted in a material contingency exposure to the company or any related parties during the periods reported.
- F. During the periods reported, the company had management agreements with Motorists Commercial Mutual Insurance Company, an Ohio-based affiliate; Iowa Mutual Insurance Company, an Iowa-based affiliate; Phenix Mutual Fire Insurance Company, a New Hampshire-based affiliate; and Wilson Mutual Insurance Company, a Wisconsin-based affiliate, whereby the company provided management services to these affiliates. The company had a separate agreement with Motorists Service Corporation (MSC), a wholly owned subsidiary of Motorists, whereby MSC delivered staffing services to the company. The company also had an arrangement with its subsidiaries and affiliates whereby costs for common facilities and support services were shared.
- G. The company is a mutual property/casualty insurer that controls its operations. As the lead company of The Motorists Insurance Group, Motorists Mutual Insurance Company also controls its affiliated companies' operations through interlocking boards of directors.
- H. The company did not own any shares, directly or indirectly, of an upstream intermediate entity or ultimate parent during the periods reported.
- I. The company did not have any investments in subsidiary, controlled or affiliated entities that exceed 10% of admitted assets during the periods reported.
- J. The company did not recognize any impairment write-downs for investments in subsidiary, controlled or affiliated entities during the periods reported.
- K. The company did not have any investments in foreign insurance subsidiaries during the periods reported.
- L. The company did not have any investments in downstream non-insurance holding companies during the periods reported.

11. Debt

- A. The company did not have any capital notes or other debt obligations outstanding during the periods reported.
- B. Federal Home Loan Bank (FHLB) Agreements
- 1) The company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati, Ohio. Through its membership, the company has access to cash advances in the amount of \$20,000,000. It is the company's intent to use these funds solely as a back-up source of liquidity.
- | | | |
|--|--------------|------------|
| | Current Year | Prior Year |
| 2) FHLB Stock purchased/owned as part of the agreement | 2,039,300 | 2,039,300 |
| 3) Collateral pledged to the FHLB | 24,795,133 | 24,771,241 |
| 4) Borrowing capacity currently available | 20,000,000 | 20,000,000 |
| 5) Agreement assets and liabilities | | |
| General Account: | | |
| a) Assets | 26,834,433 | 26,810,541 |
| b) Liabilities | - | - |
| Separate Account: | | |
| a) Assets | - | - |
| b) Liabilities | - | - |

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NOTES TO FINANCIAL STATEMENTS

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. The company sponsored a defined benefit pension plan covering substantially all associates during the periods reported. Effective January 1, 2013, the Manufactures and Merchants Mutual Insurance Company of New Hampshire plan (PMFIC Plan) defined benefit pension plan was merged with the defined benefit pension plan sponsored by the company. All assets and liabilities of the PFMIC Plan were transferred to the company sponsored plan. The company also sponsored a plan providing health benefits to substantially all active and retired associates.

The company had a non-qualified excess benefit plan for certain officers of the company due to IRS limitations on the amount of standard retirement benefits. The company also had a non-qualified early retirement supplement plan for certain officers.

A summary of assets, obligations and assumptions of the plans as December 31, 2013, and 2012, is provided below.

1) Change in benefit obligation		Overfunded		Underfunded			
		2012	2013	2012	2013		
a. Pension Benefits							
1. Benefit obligation at beginning of year		-	-	263,876,686	295,624,717		
2. Service cost		-	-	6,617,055	6,513,558		
3. Interest cost		-	-	12,795,486	12,502,698		
4. Contribution by plan participants		-	-	-	-		
5. Actuarial (gain) loss		-	-	28,566,052	(26,948,812)		
6. Foreign currency exchange rate changes		-	-	-	-		
7. Benefits paid		-	-	(18,274,249)	(13,174,442)		
8. Plan amendments		-	-	2,043,687	-		
9. Business combinations, divestitures, curtailments, settlements and special termination benefits		-	-	-	4,623,389		
10. Benefit obligation at end of year		-	-	295,624,717	279,141,108		
b. Postretirement Benefits		Overfunded		Underfunded			
		2012	2013	2012	2013		
1. Benefit obligation at beginning of year		-	27,085,358	22,089,673	-		
2. Service cost		-	425,640	75,937	-		
3. Interest cost		-	1,033,678	666,892	-		
4. Contribution by plan participants		-	911,789	660,326	-		
5. Actuarial (gain) loss		-	(2,051,092)	4,968,151	-		
6. Foreign currency exchange rate changes		-	-	-	-		
7. Benefits paid		-	(1,781,087)	(1,560,270)	-		
8. Plan amendments		-	(13,599,753)	184,649	-		
9. Business combinations, divestitures, curtailments, settlements and special termination benefits		-	-	-	-		
10. Benefit obligation at end of year		-	12,024,533	27,085,358	-		
c. Postemployment & Compensated Absence Benefits		Overfunded		Underfunded			
		2012	2013	2012	2013		
1. Benefit obligation at beginning of year		-	-	17,940,483	21,052,277		
2. Service cost		-	-	157,244	343,086		
3. Interest cost		-	-	889,031	874,844		
4. Contribution by plan participants		-	-	-	-		
5. Actuarial (gain) loss		-	-	2,547,660	(1,159,659)		
6. Foreign currency exchange rate changes		-	-	-	-		
7. Benefits paid		-	-	(482,141)	(756,381)		
8. Plan amendments		-	-	-	-		
9. Business combinations, divestitures, curtailments, settlements and special termination benefits		-	-	-	-		
10. Benefit obligation at end of year		-	-	21,052,277	20,354,167		
2) Change in plan assets		Pension Benefits		Postretirement Benefits		Postemployment	
		2012	2013	2012	2013	2012	2013
a. Fair value of plan assets at beginning of year		187,289,064	211,783,728	10,988,974	12,507,093	-	-
b. Actual return on plan assets		25,436,892	39,497,660	1,518,119	2,584,905	-	-
c. Foreign currency exchange rate changes		-	-	-	-	-	-
d. Reporting entity contribution		17,332,021	16,500,000	899,944	869,298	-	-
e. Plan participants' contributions		-	-	660,326	911,789	-	-
f. Benefits paid		(18,274,249)	(13,174,442)	(1,560,270)	(1,781,087)	-	-
g. Business combinations, divestitures, curtailments, settlements and special termination benefits		-	4,093,107	-	-	-	-
h. Fair value of plan assets at end of year		211,783,728	258,700,053	12,507,093	15,091,998	-	-
3) Funded status		Pension Benefits		Postretirement Benefits			
		2012	2013	2012	2013		
Overfunded							
a. Assets (nonadmitted)							
1. Prepaid benefit costs		n/a	57,844,198	n/a	711,314		
2. Overfunded plan assets			-		3,067,465		
3. Total assets (nonadmitted)			57,844,198		3,778,779		
Underfunded:							
b. Liabilities recognized							
1. Accrued benefit costs		n/a	-	n/a	-		
2. Liability of pension benefits			(20,441,055)		-		
3. Total liabilities recognized			(20,441,055)		-		
c. Unrecognized liabilities			-		-		
4) Components of net periodic benefit cost		Pension Benefits		Postretirement Benefits		Postemployment	
		2012	2013	2012	2013	2012	2013
a. Service cost		6,617,055	6,513,558	75,937	425,640	343,086	276,659
b. Interest cost		12,795,486	12,502,698	666,892	1,033,678	874,844	997,963
c. Expected return on plan assets		(16,634,800)	(16,525,300)	(884,122)	(961,604)	-	-
d. Transition asset or obligation		8,665	8,665	-	-	-	-
e. Gains and losses		8,866,493	11,864,074	170,763	216,255	-	-
f. Prior service cost or credit		13,248	1,261,343	(28,407)	941,438	247,797	247,797
g. Gain or loss recognized due to a settlement, curtailment or special termination benefits		2,043,687	-	184,649	-	729,826	390,316
h. Total net periodic benefit cost		13,709,834	15,625,038	185,712	1,655,407	2,195,553	1,912,735

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NOTES TO FINANCIAL STATEMENTS

5) Amounts in ef unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2012	2013	2012	2013
a. Items not yet recognizes as a component of net periodic cost - prior year	127,224,276	137,873,441	3,108,329	4,906,454
b. Net transition asset or obligation recognized	(8,665)	(8,665)	-	-
c. Net prior service cost or credit arising during the period	-	2,745,810	-	(1,309,258)
d. Net prior service cost or credit recognized	(13,248)	(1,261,343)	28,407	(941,438)
e. Net gain and loss arising during the period	19,537,571	(49,199,916)	1,940,481	(4,795,654)
f. Net gain and loss recognized	<u>(8,866,493)</u>	<u>(11,864,074)</u>	<u>(170,763)</u>	<u>(216,255)</u>
g. Items not yet recognizes as a component of net periodic cost - current year	137,873,441	78,285,253	4,906,454	(2,356,151)

6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2012	2013	2012	2013
a. Net transition asset or obligation	8,665	8,665	-	-
b. Net prior service cost or credit	1,261,343	1,261,343	(28,407)	(291,887)
c. Net recognized gains and losses	11,864,074	5,069,460	170,763	-

7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2012	2013	2012	2013
a. Net transition asset or obligation	69,328	60,663	-	-
b. Net prior service cost or credit	108,501	1,592,968	(386,335)	(2,637,031)
c. Net recognized gains and losses	137,695,612	76,631,622	5,292,789	280,880

8) Weighted-average assumptions used to determine net periodic benefit cost as of December 31

	2012	2013
a. Weighted-average discount rate	5.03	4.23
b. Expected long-term rate of return on plan assets	8.00	7.75
c. Rate of compensation increase	3.25	3.25
Weighted-average assumptions used to determine projected benefit obligations as of December 31		
d. Weighted-average discount rate	4.23	5.02
e. Rate of compensation increase	3.25 6.75 prior to age 30; 4.5 for ages 30-44; 3.0 for age 45 & older	

The company as three retiree medical plan options. For measurement purposes, the 2013 assumed annual rate of increase in the per capita cost of covered health care benefits was 9.0% for retirees under age 65, 7.0% for retirees 65 and older in Plan 6020

9) The amount of accumulated benefit obligation for defined benefit pension plans was \$261,394,984 for the current year and \$272,945,844 for the prior year.

10) Employer retiree healthcare costs assume a 3% increase for all future years to reflect the maximum employer increase in premiums.

11) Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	321,586	(255,836)
b. Effect on postretirement benefit obligation	4,700,225	(3,801,070)

12) The following estimated future payments which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Pension Benefits	Postretirement Benefits	Postemployment
2014	14,123,146	793,603	960,582
2015	14,532,746	812,746	1,096,943
2016	14,927,808	809,720	1,088,334
2017	15,357,605	769,708	1,078,302
2018	16,025,798	780,915	1,135,973
2019-2023	91,477,110	4,134,375	7,787,526

13) The company intends to make \$10,000,000 of contributions to the pension plan in 2014. The company intends to make \$793,603 of contributions to the postretirement plan in 2014.

14) As of December 31, 2013, none of the company's securities or those of related parties were included in the plan assets. The company or related parties did not issue insurance contracts covering plan participate benefits, and they were not an significant

15) The company did not use an alternate amortization method to amortize prior service amount or unrecognized net gains and losses.

16) The company did not use any substantive commitments as a basis for accounting for the benefit obligations.

17) The company did not recognize any special or contractual termination benefits during the period.

18) All significant changes in the company's benefit obligation and assets are presented in the disclosure.

19) The company does not expect the return of any plan assets during the next 12-month period.

20) The company's obligation and liability components as of December 31, 2013 are presented below:

	Pension Benefits	Postretirement Benefits	Postemployment
Benefit Obligation	(279,141,108)	(12,024,533)	(20,354,167)
SSAP 92/103 Deferral	<u>-</u>	<u>-</u>	<u>1,317,681</u>
Adjusted Benefit Obligation	(279,141,108)	(12,024,533)	(19,036,486)
Plan Assets	<u>258,700,053</u>	<u>15,091,998</u>	<u>-</u>
Unfunded Liability	(20,441,055)	-	(19,036,486)

21) The company adopted SSAP No. 92, Accounting for Postretirement Benefits Other Than Pensions - A Replacement of SSAP No. 14 and SSAP No. 102, Accounting for Pensions - A Replacement of SSAP No. 89 as of January 31, 2013, and elected to recognize the surp

	Pension Benefits	Postretirement Benefits	Postemployment
Initial Transition Liability	20,075,042	14,578,265	2,477,340
Transaction Liability at December 31, 2013	-	-	1,317,681
Anticipated recognition of transition liability			
2014	-	-	611,951
2015	-	-	348,203
2016	-	-	357,527

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NOTES TO FINANCIAL STATEMENTS

- B. The policy, as established by the Pension Committee, is to invest assets per the target allocations stated below. The assets are reallocated periodically to meet the target allocations. The investment policy is reviewed periodically, under the advisement of a certified investment advisor, to determine if the policy should be changed. Allowable assets include, but are not limited to, cash equivalents, fixed income securities, equity securities, exchange traded index funds and GICs.

Plan Assets	Allowable Allocation Range
Equity Securities	59 – 69 %
Debt Securities	26 – 36 %
Real Estate	0 %
Other	0 – 10 %

- C. Information regarding fair value hierarchy measurement is provided below

1) Pension Plan Fair Value Measurement of Plan Assets

	Level 1	Level 2	Level 3	Total
Large Cap Equity	63,576,456	31,929,577	-	95,506,034
Small Cap Equity	30,386,062	-	-	30,386,062
International Equity	51,660,968	-	-	51,660,968
Money Market Funds	13	-	-	13
Pooled Separate Accounts/Comingled Funds	-	81,146,976	-	81,146,976
Total Plan Assets	145,623,499	113,076,553	-	258,700,053

Postretirement Plan Fair Value Measurement of Plan Assets

	Level 1	Level 2	Level 3	Total
Large Cap Equity	6,928,866	-	-	6,928,866
Small Cap Equity	1,675,324	-	-	1,675,324
International Equity	2,926,893	-	-	2,926,893
Money Market Funds	0	-	-	0
Pooled Separate Accounts/Comingled Funds	-	3,560,915	-	3,560,915
Total Plan Assets	11,531,083	3,560,915	-	15,091,998

- 2) The company did not have any Level 3 plan assets.

- D. The expected long-term rate of return for the plan's total assets is based on the expected return of each category, weighted based on the median of the target allocation for each class.
- E. The company sponsored a defined contribution savings plan for the benefit of substantially all associates during the periods reported. The company contributed up to a maximum of 3% of each associate's compensation. Company contributions to the plan were \$1,163,409 and \$1,164,672 for 2013 and 2012, respectively.
- F. The company did not participate in any multi-employer plans during the periods reported.
- G. The company's subsidiaries and affiliates participated in defined benefit plans sponsored by the company during the years reported. The company allocated amounts to the subsidiaries and affiliates based on a cost sharing arrangement.
- H. The company's financial records include adequate accruals for all post-employment benefit obligations and compensated absences.
- I. Impact of Medicare Modernization Act on Postretirement Benefits

The company first measured the impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, on postretirement benefits as of January 1, 2004. The results of that measurement were included in the company's 2004 financial records. The Act resulted in statutory expense reductions of \$673,238 and \$288,420 in 2013 and 2012, respectively.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- Information concerning capital stock is not applicable. The company is a mutual property/casualty insurer.
- Information concerning preferred stock is not applicable. The company is a mutual property/casualty insurer.
- Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- Information concerning stock dividend payments is not applicable. The company is a mutual property/casualty insurer.
- Information concerning stock dividends is not applicable. The company is a mutual property/casualty insurer.
- There were not any restrictions on the company's surplus during the periods reported.
- There were not any advances to surplus to disclose for the periods reported.
- The company did not hold any stock for special purposes during the periods reported.
- The company did not have any special surplus funds to disclose for the periods reported.
- As of December 31, 2013, the portion of unassigned funds (surplus) represented by cumulative unrealized gains (net of deferred FIT) was \$68,223,704.
- The company did not have any surplus debentures or similar obligations to disclose for the periods reported.
- Information concerning quasi-reorganization is not applicable.
- Information concerning quasi-reorganization is not applicable.

14. Contingencies

A. Contingent Commitments

- At December 31, 2013, the company had outstanding commitments associated with joint venture interests totaling \$26,312,823. The company also had contingent commitments that arose from the guarantee of certain insurance agency loans. The contingency for agent loan guarantees was \$5,721,769 as of December 31, 2013.
- The aforementioned commitments are not reflected as liabilities in the accompanying financial statement. The figures presented represent the company's maximum potential outlays related to the commitments. Other details are provided below.

Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted)	Current status of payment or performance risk of guarantee
Commercial bank loan guarantee for six agencies with various terms, extending to 2028	-	Increase in miscellaneous expense	5,721,769	All loans are current in payments of principal and interest. The likelihood of the company having to make any payments is remote.
Adams Street 2012 Global Fund LP	-	Increase in other invested assets	13,705,600	All current capital calls have been funded.
HarbourVest Partners, LLC	-	Increase in other invested assets	12,069,723	All current capital calls have been funded.
Park Street Capital Private Equity Fund LP	-	Increase in other invested assets	537,500	All current capital calls have been funded.
Total	-		32,034,592	

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

3) Details regarding the impact these commitments had or could potentially have on the company's financial statements are provided below.

a.	Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)	32,034,592
b.	Current Liability Recognized in F/S	
	1. Noncontingent Liabilities	-
	2. Contingent Liabilities	-
c.	Ultimate Financial Statement Impact if action under the guarantee is required.	
	1. Investments in SCA	-
	2. Joint Venture	26,312,823
	3. Dividends to Stockholders (capital contribution)	-
	4. Expense	5,721,769
	5. Other	-
	6. Total (Should equal (3)a.)	32,034,592

B. Assessments

The company is subject to guaranty fund and other assessments by the states in which it conducts business. Guaranty fund assessments are accrued upon notification of the insolvency. Other assessments are recognized 1) when assessed by a state, 2) when premiums are written for premium-based assessments, or 3) when losses are incurred for loss-based assessments. Incurred assessments are subject to the intercompany pooling arrangement described in Note 26. The company's net paid guaranty fund assessments totaled \$3,380 and \$(45,599) for the years ended December 31, 2013, and 2012, respectively. The company's net accrued liabilities for guaranty funds were \$588,188 and \$445,603 as of December 31, 2013, and 2012, respectively. Per the accounting practices and procedures prescribed by the company's state of domicile, receivables for premium tax credits are not reflected in the accompanying financial statements.

C. Gain Contingencies

The company did not have any material gain contingencies to disclose for the periods reported.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations (ECO) or bad faith claims stemming from lawsuits:

	Direct
Claims related ECO and bad faith losses paid during the reporting period	1,050,000

The number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period is disclosed below.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

An indication as to whether claim count information is disclosed on a per claim or per claimant basis is provided below.

(f) Per Claim	(g) Per Claimant
	X

E. Product Warranties

The company did not have any contingent liabilities associated with product warranties to disclose for the periods reported.

F. All Other Contingencies

The company did not have any other contingent liabilities arising from litigation, income taxes, or other matters that were material in nature. All assets that the company considered to be impaired were valued at market prior to the closing of the company's financial records.

The potential for losses associated with uncollectible receivable balances is not material to the company's financial position. Premium balances over 90 days past due are recorded as nonadmitted assets.

15. Leases

A. Leasing Arrangements

- 1) The company leases computer-related equipment under various operating lease arrangements and has entered into various agreements for information technology-related services through 2018. The expenses for these commitments for 2013 and 2012 were \$6,674,599 and \$11,344,508, respectively.
- 2) As of December 31, 2013, the company had aggregate commitments of \$9,157,347. Commitments for the next five years are as follows:

Fiscal Year	Commitment
2014	7,639,124
2015	888,155
2016	435,157
2017	97,456
2018	97,456

- 3) The company was not involved in sale-leaseback transactions during the periods reported.

B. The company leased office space in its home office building to non-affiliated parties during the periods reported. This was not a significant part of the company's business activities.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The company did not have any investments in financial instruments with off-balance sheet risk during the periods reported.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. The company did not have any transfers of receivables reported as sales during the periods reported.
- B. Transfer and Servicing of Financial Assets

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NOTES TO FINANCIAL STATEMENTS

- 1) As of December 31, 2013, the company was not involved in any securities lending programs.
- 2) The company did not have any servicing assets or servicing liabilities to disclose for the periods reported.
- 3) The company did not have any servicing assets or servicing liabilities to disclose for the periods reported.
- 4) The company did not obtain any assets or incur any liabilities due to the transfer of financial assets during the periods reported.
- 5) The company did not securitize any financial assets during the periods reported.
- 6) The company was not involved in any transfers of receivables during the periods reported.
- 7) The company did not have any repurchase or reverse repurchase agreements during the periods reported.

C. Wash Sales
In the course of the company’s asset management, there were not any securities sales and reacquisitions made within 30 days of the sale date to enhance the yield on the investment portfolio.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The company did not serve as an Administrative Services Only (ASO) or as an Administrative Services Contract (ASC) plan administrator during the periods reported.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The company did not write any direct premiums through managing general agents or third party administrators during the periods reported.

20. Fair Value Measurements

A. Fair Value Hierarchy

- 1) Information regarding assets measured at fair value on a recurring basis is provided below.

Description for each class of asset or liability	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
a. Assets at fair value				
Perpetual Preferred stock				
Industrial and Misc	-	-	-	-
Parents, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	-	-	-	-
Bonds				
U.S. Governments	-	-	-	-
Industrial and Misc	-	1,605,401	-	1,605,401
Hybrid Securities	-	-	-	-
Parents, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	-	1,605,401	-	1,605,401
Common Stock				
Industrial and Misc	147,909,494	-	3,332,000	151,241,494
Parents, Subsidiaries and Affiliates	-	-	51,041,877	51,041,877
Total Common Stocks	147,909,494	-	54,373,877	202,283,371
Other Invested Assets	-	-	93,245,134	93,245,134
Derivative Assets				
Interest rate contract	-	-	-	-
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity future contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total Derivatives	-	-	-	-
Separate account assets	-	-	-	-
Total assets at fair value	147,909,494	1,605,401	147,619,011	297,133,906
b. Liabilities at fair value	-	-	-	-
Derivative liabilities	-	-	-	-
Total liabilities at fair value	-	-	-	-

- 2) Information regarding assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is provided below.

	Beginning Balance at 01/01/2013	Transfers into Level 3	Transfers out of Level 3	Total gains (losses) Realized	Total gains (losses) Unrealized	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2013
a. Assets										
Loan-Backed and Structured Securites	-	-	-	-	-	-	-	-	-	-
Common Stock	-	-	-	-	-	-	-	-	-	-
Industrial and Misc	3,785,625	-	-	3,465,178	(453,625)	-	-	(3,465,178)	-	3,332,000
Parents, Subsidiaries and Affiliates	52,703,690	-	-	-	(1,661,812)	-	-	-	-	51,041,877
Other Invested Assets	89,579,511	-	-	(26,834)	2,577,187	4,715,135	-	(3,599,865)	-	93,245,134
Total Assets	146,068,825	-	-	3,438,344	461,750	4,715,135	-	(7,065,043)	-	147,619,011
b. Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	-	-

- 3) The company did not recognize any transfers into or out of the Level 3 classification during the reporting period. The company's policy is to recognize transfers of this nature on the actual date of the event or change in circumstances that caused the transfer.
- 4) The company valued common stocks using the equity method. Other invested assets were valued using equity statements from the respective fund managers.
- 5) The company does not hold any derivative assets or liabilities.

B. The company did not have any other assets measured at fair value.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

C. Fair Value Measurement

Description for each class of asset or liability	Fair Value	Assets	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Inputs (Level 3)	(Carrying Value)
Perpetual Preferred stock	-	-	-	-	-	-
Bonds	681,804,820	670,103,811	-	681,804,820	-	-
Common Stock	202,283,371	202,275,482	147,909,494	-	54,373,877	-
Other Invested Assets	114,680,305	114,680,304	-	-	93,245,134	21,435,170
	998,768,496	987,059,596	147,909,494	681,804,820	147,619,011	21,435,170

D. Not Practicable to Estimate Fair Value: YES

Type or Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Other Invested Assets				
Low Income Housing	3,856,861	n/a	n/a	Asset is not a marketable financial instrument
Surplus Notes	16,000,000	variable	on demand	Asset is not a marketable financial instrument
Agency Loans	1,578,309	variable	on demand	Asset is not a marketable financial instrument
	21,435,170			

21. Other Items

A. Extraordinary Items

The company did not have any extraordinary items to disclose for the periods reported.

B. Troubled Debt Restructuring: Debtors

The company did not have any transactions related to troubled debt restructurings during the periods reported.

C. Other Disclosures and Unusual Items

- 1) The company elected to use rounding in the reporting of amounts in this statement.
- 2) The table below summarizes the company's net unpaid loss and loss adjustment expense reserves for accident years 1999 through 2003 and prior for all applicable statutory categories reported in Schedule P, Part 1, columns 13 through 24 of the Annual Statement. All amounts shown are in thousands.

Schedule P Category	Loss Year	Case Basis	Bulk & IBNR	Def & Cost Containment	Adjusting & Other Exp	Salvage & Subrogation	Loss & Exp Total Unpaid
Part 1A	Prior	19	-	0	1	-	19
Homeowners/	1999	17	-	0	0	-	17
Farmowners	2000	10	-	0	0	-	11
	2001	167	(26)	4	5	-	150
	2002	106	-	-	3	-	109
	2003	95	-	3	3	-	101
	Total	414	(26)	8	12	-	408
Part 1B	Prior	379	-	8	16	-	403
Private Passenger	1999	-	-	-	-	-	-
Auto Liability/Medical	2000	27	-	1	1	-	29
	2001	51	10	2	4	-	67
	2002	-	-	-	-	-	-
	2003	19	2	1	1	-	23
	Total	477	11	11	23	-	522
Part 1C	Prior	110	-	43	4	-	156
Commercial Auto/	1999	-	-	-	-	-	-
Truck Liability/Medical	2000	-	-	-	-	-	-
	2001	-	(0)	(0)	-	-	(0)
	2002	106	-	41	4	-	151
	2003	109	373	190	18	-	691
	Total	325	373	274	26	-	998
Part 1D	Prior	12,763	4,088	608	885	-	18,343
Workers' Compensation	1999	96	6	4	8	-	114
	2000	400	6	16	30	-	453
	2001	(232)	12	(22)	9	-	(234)
	2002	177	25	7	13	-	222
	2003	285	1,872	82	141	-	2,381
	Total	13,489	6,008	695	1,086	-	21,278
Part 1E	Prior	502	-	109	8	-	619
Commercial	1999	4	-	10	1	-	15
Multiple Peril	2000	-	-	-	-	-	-
	2001	0	(4)	(0)	-	-	(4)
	2002	-	-	-	-	-	-
	2003	4	5,140	1,287	73	-	6,503
	Total	509	5,136	1,405	82	-	7,132

NOTES TO FINANCIAL STATEMENTS

Schedule P Category	Loss Year	Case Basis	Bulk & IBNR	Def & Cost Containment	Adjusting & Other Exp	Salvage & Subrogation	Loss & Exp Total Unpaid
Part 1F, Section 1	Prior	-	-	-	-	-	-
Medical Professional	1999	-	-	-	-	-	-
Liability - Occurrence	2000	-	-	-	-	-	-
	2001	-	-	-	-	-	-
	2002	-	-	-	-	-	-
	2003	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Part 1G	Prior	1	-	0	-	-	1
Special Liability	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	-	-	-	-	-
	2002	-	-	-	-	-	-
	2003	-	-	-	-	-	-
	Total	1	-	0	-	-	1
Part 1H, Section 1	Prior	1,233	1,464	664	63	-	3,424
Other Liability -	1999	-	-	-	-	-	-
Occurrence	2000	18	-	22	3	-	43
	2001	12	(0)	2	0	-	14
	2002	108	-	22	2	-	132
	2003	42	2,209	732	85	-	3,068
	Total	1,413	3,673	1,443	153	-	6,681
Part 1I	Prior	1	-	0	-	-	1
Special Property	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	(1)	(0)	-	-	(2)
	2002	-	-	-	-	-	-
	2003	-	-	-	-	-	-
	Total	1	(1)	(0)	-	-	(1)
Part 1J	Prior	-	-	-	-	-	-
Auto Physical	1999	-	-	-	-	-	-
Damage	2000	-	-	-	-	-	-
	2001	0	(6)	(0)	-	-	(6)
	2002	-	-	-	-	-	-
	2003	-	-	-	-	-	-
	Total	0	(6)	(0)	-	-	(6)
Part 1K	Prior	-	-	-	-	-	-
Fidelity/Surety	1999	-	-	-	-	-	-
	2000	-	-	-	-	-	-
	2001	-	-	-	-	-	-
	2002	-	-	-	-	-	-
	2003	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Part 1N	Prior	401	355	16	-	-	772
Reinsurance	1999	-	-	-	-	-	-
Nonproportional	2000	-	-	-	-	-	-
Assumed Property	2001	1	-	0	-	-	1
	2002	-	4	0	-	-	4
	2003	-	4	0	-	-	5
	Total	402	363	16	-	-	782
Part 1O	Prior	469	517	34	-	-	1,019
Reinsurance	1999	133	246	13	-	-	392
Nonproportional	2000	304	119	15	-	-	437
Assumed Liability	2001	229	259	17	-	-	505
	2002	167	402	20	-	-	589
	2003	189	501	24	-	-	713
	Total	1,491	2,042	121	-	-	3,655
Part 1R, Section 1	Prior	485	-	456	36	-	977
Products Liability -	1999	5	-	4	1	-	10
Occurrence	2000	74	-	69	6	-	149
	2001	5	-	5	0	-	10
	2002	85	-	80	6	-	171
	2003	2	1,083	1,002	93	-	2,180
	Total	657	1,083	1,615	143	-	3,498

- D. Business Interruption Insurance Recoveries
There were not any business interruption insurance recoveries received during the periods reported.
- E. State Transferable and Non-transferable Tax Credits
The company did not have any state transferable or non-transferable tax credits to disclose for the periods reported.

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NOTES TO FINANCIAL STATEMENTS

F. Subprime-Mortgage-Related Risk Exposure

- 1) The definition of "subprime" is necessarily broad and intended to encompass both Alt-A and subprime. Corporate and equity securities (such as banks and investment banks), which may have underlying subprime exposure, are not included. The company's categorization of CMBS reflects securities backed by commercial real estate. Therefore, these securities are not included in the reported figures.

The company's portfolio managers monitor the collateral every month in order to determine whether the collateral pools have deteriorated. Credit support levels provide a basis for the deal tranches the company owns. Anticipated lifetime losses are used to determine deal underperformance.

- 2) The company did not have any direct exposure to subprime mortgage related risk through subprime loans during the periods reported.
- 3) The company had direct exposure to subprime mortgage related risk through the investment listed below.

Type of Investment	Actual Cost	Book/Adjusted Carrying Value	Fair Value	OTTI Loss Recognized
a. Residential mortgage- backed securities	--	--	--	--
b. Commercial mortgage-backed securities	1,658,246	1,448,212	1,527,493	--
c. Collateralized debt obligations	--	--	--	--
d. Structured securities	226,769	157,189	154,088	--
e. Equity investment in SCA's	--	--	--	--
f. Other assets	--	--	--	--
g. Total	1,885,015	1,605,401	1,681,581	--

- 4) The company did not have any underwriting exposure to subprime mortgage risk through mortgage guaranty or financial guaranty insurance coverage during the periods reported.

G. Offsetting and Netting of Assets and Liabilities

The company did not have any offsetting and netting of assets and liabilities.

22. Events Subsequent

There were not any events that occurred subsequent to the closing of the company's financial records that would materially impact the financial information presented.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

As of December 31, 2013, the company had unsecured aggregate recoverables for losses paid and unpaid (including IBNR), loss adjustment expenses, and unearned premium with four individual reinsurers that exceeded 3% of the company's surplus. The reinsurers and the associated recoverable balances are listed below.

Company Name	NAIC Number	Federal ID	Amount Recoverable
Motorists Commercial Mutual Insurance Company	13331	41-0299900	130,561,161
Iowa Mutual Insurance Company	14338	42-0333120	24,700,760
Phenix Mutual Fire Insurance Company	23175	02-0178290	24,700,760
Wilson Mutual Insurance Company	19950	39-0739760	21,172,080

B. Reinsurance Recoverable in Dispute

As of December 31, 2013, the company did not have any reinsurance recoverable amounts in dispute from any one reinsurer that exceeded 5% of policyholder surplus.

C. Reinsurance Assumed and Ceded

- 1) The maximum amount of return commission that would have been due reinsurers if they or the company had cancelled all of the company's reinsurance or if the company or a receiver had cancelled all of the company's assumed contracts as of December 31, 2013, with the return of the unearned premium reserve is illustrated below.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	125,838,207	19,901,976	90,637,222	14,878,016	35,200,985	5,023,960
b. All Other	3,923,067	666,796	1,147,431	39,761	2,775,636	627,035
c. Total	129,761,274	20,568,772	91,784,653	14,917,777	37,976,621	5,650,995
d. Direct UEP		178,630,987				

- 2) The company's contingent commissions associated with existing contractual arrangements are illustrated below.

	(1) Direct	(2) Assumed	(3) Ceded	(4) Net
a. Contingent Commission	7,773,408	6,364,843	4,170,784	9,967,467
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	7,773,408	6,364,843	4,170,784	9,967,467

- 3) Information concerning protected cells is not applicable.

D. Uncollectible Reinsurance

There were not any reinsurance balances written off as uncollectible during the year.

E. Commutation of Ceded Reinsurance

The company did not commute any ceded reinsurance balances during the year.

F. Retroactive Reinsurance

The company did not have any retroactive reinsurance contracts in place during the periods reported.

G. Reinsurance Accounted for as a Deposit

The company did not have any agreements in place that required reinsurance to be accounted for as a deposit during the periods reported.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

The company did not enter into any special run-off agreements.

I. Certified Reinsurer Downgraded or Status Subject to Revocation

The company has never been classified as a certified reinsurer, and its records do not reflect any certified reinsurers that experienced a rating downgrade or are subject to revocation action.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The company did not have any retrospectively rated contracts or contracts subject to redetermination in place during the periods reported.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for the company's incurred losses and loss adjustment expenses (after intercompany pooling) attributable to insured events of prior years reflect favorable development totaling \$9,599,870. The development can be attributed primarily to the re-estimation of unpaid losses and loss adjustment expenses in the workers' compensation and products liability lines of business. Savings in these lines overshadowed adverse development in the auto liability, other liability, auto physical damage, and commercial multiple peril lines of business. The changes reflected in these lines were generally the result of recent development trends. Since the company did not have any retrospectively rated contracts in place during the periods reported, there were not any premium adjustments made as a result of this loss and loss adjustment expense development.

26. Intercompany Pooling Arrangements

Motorists Mutual Insurance Company (NAIC #14621) and its affiliates, Motorists Commercial Mutual Insurance Company (NAIC #13331), Iowa American Insurance Company (NAIC #31577), Iowa Mutual Insurance Company (NAIC #14338), MICO Insurance Company (NAIC #40932), Phenix Mutual Fire Insurance Company (NAIC #23175), and Wilson Mutual Insurance Company (NAIC #19950), participated in an intercompany pooling arrangement covering premiums, losses, and underwriting expenses for all lines during the year. Related finance and service charge income, agent and premium balance charge-offs, deficiency reserves, and policyholder dividends were also subject to the pooling arrangement. The participation percentages for each company were as follows: 70.5% for Motorists Mutual, 18.5% for Motorists Commercial, 1.0% for Iowa American, 3.5% for Iowa Mutual, 0.0% for MICO, 3.5% for Phenix Mutual, and 3.0% for Wilson Mutual.

Each company recognized facultative (quota share and excess) and treaty (excess and catastrophe) reinsurance cessions with unaffiliated reinsurers prior to the administration of the intercompany pooling agreement. As the lead insurer, Motorists Mutual assumed all net premiums, losses, loss adjustment expenses, and underwriting expenses and then ceded each pool participant its share of the pool. Underwriting-related balance sheet items such as premiums receivable, installments, reinsurance assumed premium receivables and loss payables, reinsurance ceded premium payables and loss receivables, general expense receivables and payables, funds held balances, advanced premiums, and outstanding drafts were also pooled.

As of December 31, 2013, the company reported an aggregate pooling-related balance of \$284,504 payable to the other pool participants. The balances due to/from each of the other participants are listed below.

Intercompany Pool Participant	Receivable/(Payable)
Iowa American Insurance Company	(294,138)
Iowa Mutual Insurance Company	1,520,781
MICO Insurance Company	(35,670)
Motorists Commercial Mutual Insurance Company	(3,109,579)
Phenix Mutual Fire Insurance Company	319,014
Wilson Mutual Insurance Company	1,315,087

27. Structured Settlements

- A. The company has purchased annuities for structured settlements under which the claimant is the payee, but for which the company is contingently liable. Details are provided below.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
4,462,635	4,527,308

- B. As of December 31, 2013, there were not any amounts in excess of 1% of the company's surplus due for annuities from any one life insurance company associated with purchased annuities for which the company did not receive a release of liability from the claimant.

28. Health Care Receivables

The company did not have any health care receivables to disclose for the periods reported.

29. Participating Policies

The company did not write policies with participating contracts during the periods reported.

30. Premium Deficiency Reserves

Details regarding the premium deficiency reserve reported by the company as of December 31, 2013, are provided below.

1) Liability carried for premium deficiency reserves	\$ 635
2) Date of the most recent evaluation of this liability	January 2, 2014
3) Was anticipated investment income utilized in the calculation?	Yes

31. High Deductibles

The company did not have any unpaid claims on policies with high deductibles to disclose for the periods reported.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The company did not discount loss and loss adjustment expense reserves during the periods reported.

33. Asbestos/Environmental Reserves

- A. The company had exposure to asbestos losses during the periods reported. Direct exposure arose from the sale of general liability business. The company also had exposure through its unaffiliated reinsurance assumed operations and an intercompany pooling arrangement (reference Note 26). The company estimates the impact of its direct exposure by establishing case reserves on all known losses and by computing IBNR losses based on previous experience. The company relies on case and IBNR reserves established by the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau to measure its exposure from unaffiliated reinsurance assumed operations.

	(1)	(2)	(3)	(4)	(5)
1) Direct Basis:	2009	2010	2011	2012	2013
a. Beginning Reserves (incl Case, Bulk & IBNR)	11,959,012	10,458,839	9,542,451	8,321,055	8,921,635
b. Incurred losses and loss adjustment expenses	(823,467)	577,348	556,515	1,348,314	1,940,974
c. Calendar year loss and loss adj. expense payments	676,706	1,493,736	1,777,911	747,734	962,429
d. Ending Reserves (incl Case, Bulk & IBNR)	10,458,839	9,542,451	8,321,055	8,921,635	9,900,180
2) Assumed Reinsurance Basis:	(1)	(2)	(3)	(4)	(5)
	2009	2010	2011	2012	2013
a. Beginning Reserves (incl Case, Bulk & IBNR)	2,866,372	2,912,911	2,850,862	1,699,668	1,612,185
b. Incurred losses and loss adjustment expenses	175,340	161,592	(875,507)	19,904	474,440
c. Calendar year loss and loss adj. expense payments	128,801	223,641	275,687	107,387	94,958
d. Ending Reserves (incl Case, Bulk & IBNR)	2,912,911	2,850,862	1,699,668	1,612,185	1,991,667

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)	(4)	(5)
	2009	2010	2011	2012	2013
3) Net of Ceded Reinsurance Basis:					
a. Beginning Reserves (incl Case, Bulk & IBNR)	13,331,035	11,967,767	10,969,877	9,559,326	10,302,763
b. Incurred losses and loss adjustment expenses	(790,515)	559,226	331,252	803,710	2,363,658
c. Calendar year loss and loss adj. expense payments	572,753	1,557,116	1,741,803	60,273	874,874
d. Ending Reserves (incl Case, Bulk & IBNR)	11,967,767	10,969,877	9,559,326	10,302,763	11,791,547

B. The amount of ending reserves for bulk and IBNR included in "A" (loss and LAE):

1) Direct Basis	8,372,549
2) Assumed Reinsurance Basis	1,340,892
3) Net of Ceded Reinsurance Basis	9,695,022

C. The amount of ending reserves for loss adjustment expenses included in "A" (case, bulk + IBNR):

1) Direct Basis	2,662,016
2) Assumed Reinsurance Basis	75,694
3) Net of Ceded Reinsurance Basis	2,728,501

D. The company had exposure to environmental losses during the periods reported. Direct exposure arose from the sale of general liability, commercial auto liability, and homeowners business. The company also had exposure through its unaffiliated reinsurance assumed operations and an intercompany pooling arrangement (reference Note 26). The company estimates the impact of its direct exposure by establishing case reserves on all known losses and by computing IBNR losses based on previous experience. The company relies on case and IBNR reserves established by the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau to measure its exposure from unaffiliated reinsurance assumed operations.

	(1)	(2)	(3)	(4)	(5)
	2009	2010	2011	2012	2013
1) Direct Basis:					
a. Beginning Reserves (incl Case, Bulk & IBNR)	2,527,801	1,998,043	1,431,957	2,587,121	3,932,709
b. Incurred losses and loss adjustment expenses	(85,765)	56,028	1,474,150	1,725,682	(27,025)
c. Calendar year loss and loss adj. expense payments	443,993	622,114	318,986	380,094	231,227
d. Ending Reserves (incl Case, Bulk & IBNR)	1,998,043	1,431,957	2,587,121	3,932,709	3,674,457

	(1)	(2)	(3)	(4)	(5)
	2009	2010	2011	2012	2013
2) Assumed Reinsurance Basis:					
a. Beginning Reserves (incl Case, Bulk & IBNR)	268,880	274,092	322,716	285,075	288,534
b. Incurred losses and loss adjustment expenses	12,010	109,931	(14,398)	7,049	53,618
c. Calendar year loss and loss adj. expense payments	6,798	61,307	23,243	3,590	12,032
d. Ending Reserves (incl Case, Bulk & IBNR)	274,092	322,716	285,075	288,534	330,120

	(1)	(2)	(3)	(4)	(5)
	2009	2010	2011	2012	2013
3) Net of Ceded Reinsurance Basis:					
a. Beginning Reserves (incl Case, Bulk & IBNR)	2,792,013	2,266,750	1,744,361	2,775,297	4,145,267
b. Incurred losses and loss adjustment expenses	(74,472)	131,055	1,373,165	1,752,824	28,847
c. Calendar year loss and loss adj. expense payments	450,791	653,444	342,229	382,854	231,801
d. Ending Reserves (incl Case, Bulk & IBNR)	2,266,750	1,744,361	2,775,297	4,145,267	3,942,313

E. The amount of ending reserves for bulk and IBNR included in "A" (loss and LAE):

1) Direct Basis	2,638,805
2) Assumed Reinsurance Basis	144,818
3) Net of Ceded Reinsurance Basis	2,747,361

F. The amount of ending reserves for loss adjustment expenses included in "A" (case, bulk + IBNR):

1) Direct Basis	1,050,093
2) Assumed Reinsurance Basis	27,601
3) Net of Ceded Reinsurance Basis	1,059,563

34. **Subscriber Savings Accounts**

Information concerning subscriber savings accounts is not applicable

35. **Multiple Peril Crop Insurance**

The company did not write multiple peril crop insurance during the periods reported.

36. **Financial Guaranty Insurance**

The company did not write financial guaranty insurance during the periods reported.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Ohio

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2013

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2008

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

12/04/2009

3.4

By what department or departments?
Ohio Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [] No [] N/A [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, 41 South High Street, Columbus, Ohio 43215
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Peter A. Weisenberger, FCAS, Assistant Vice President, Actuarial Services and Appointed Actuary, Motorists Mutual Insurance Company, 471 East Broad Street, Columbus, Ohio 43215
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value

\$
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A []
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?

Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers.....\$118,168

20.12 To stockholders not officers.....\$0

20.13 Trustees, supreme or grand (Fraternal Only)\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers.....\$106,728

20.22 To stockholders not officers.....\$0

20.23 Trustees, supreme or grand (Fraternal Only)\$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others.....\$

21.22 Borrowed from others.....\$

21.23 Leased from others\$

21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [] No [X]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$

22.22 Amount paid as expenses\$

22.23 Other amounts paid\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03).....

Yes [X] No []
- 24.02 If no, give full and complete information relating thereto
.....
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
.....
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [] No [] N/A [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.\$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.\$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [] No [] N/A [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?

Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes [X] No []

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	0
		25.22 Subject to reverse repurchase agreements	\$	0
		25.23 Subject to dollar repurchase agreements	\$	0
		25.24 Subject to reverse dollar repurchase agreements	\$	0
		25.25 Pledged as collateral	\$	24,795,133
		25.26 Placed under option agreements	\$	0
		25.27 Letter stock or other securities restricted as to sale	\$	0
		25.28 On deposit with state or other regulatory body	\$	1,758,333
		25.29 Other	\$	0

25.3 For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No [] N/A [X]

If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year.

\$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
BNY Mellon	500 Grant Street One Mellon Center, Suite #1035, Pittsburgh, PA 15258

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [] No [X]

28.04 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
110638	Diamond Hill Capital Management	325 John H McConnell Blvd, Suite #200, Columbus, OH 43215
		76 Batterson Park Rd, Pondview Corporate Center, Farmington, CT
105900	General Re-New England Asset Management, Inc.	06032
105780	Northern Trust Investments, N.A.	50 South La Salle Street, Chicago, IL 60603
109846	HarbourVest	One Financial Center, Floor #44, Boston, MA 02111
115443	Park Street	One Federal Street, 24th Floor, Boston, MA 02110
153966	Crescent Capital Group, LP	11100 Santa Monica Blvd, Suite #2000, Los Angeles, CA 90025
38642	BNY Mellon Alternative Investment Services	101 Barclay Street, 20th Floor West, New York, NY 10286
109358	Adams Street Partners, LLC	One North Wacker Dr, Suite #2200, Chicago, IL 60606

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?
- Yes [X] No []
- 29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
00769G-53-5	LSV Small Cap Value Fund	12,162,210
04314H-75-8	Artisan Small Cap Fund	12,019,939
04314H-85-7	Artisan Intl Val Fund	30,488,361
29875E-10-0	American EuroPacific Growth Fd	5,295,146
78467Y-10-7	SPDR S&P MidCap 400 ETF Tr	3,792,426
29.2999 - Total		63,758,082

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
LSV Small Cap Value Fund	Aircastle Ltd	158,109	09/30/2013
LSV Small Cap Value Fund	Western Refining Inc	156,893	09/30/2013
LSV Small Cap Value Fund	Olin Corp	150,811	09/30/2013
LSV Small Cap Value Fund	EPL Oil & Gas Inc	137,433	09/30/2013
LSV Small Cap Value Fund	AAR Corp	133,784	09/30/2013
Artisan Small Cap Fund	Cognex Corp	457,359	09/30/2013
Artisan Small Cap Fund	CommVault Systems Inc	448,704	09/30/2013
Artisan Small Cap Fund	Beacon Roofing Supply Inc	398,822	09/30/2013
Artisan Small Cap Fund	Isis Pharmaceuticals Inc	384,518	09/30/2013
Artisan Small Cap Fund	Acuity Brands Inc	367,089	09/30/2013
Artisan Intl Val Fund	Compass Group PLC	1,509,174	09/30/2013
Artisan Intl Val Fund	TE Connectivity Ltd	1,134,167	09/30/2013
Artisan Intl Val Fund	Tesco PLC	1,094,532	09/30/2013
Artisan Intl Val Fund	Reed Elsevier PLC	1,091,483	09/30/2013
Artisan Intl Val Fund	Aon PLC	978,676	09/30/2013
American EuroPacific Growth Fd	Novo Nordisk A/S	214,718	12/31/2013
American EuroPacific Growth Fd	SoftBank Corp	163,355	12/31/2013
American EuroPacific Growth Fd	Bayer AG	137,515	12/31/2013
American EuroPacific Growth Fd	Samsung Electronics Co Ltd	109,451	12/31/2013
American EuroPacific Growth Fd	Novartis AG	109,345	12/31/2013
SPDR S&P MidCap 400 ETF Tr	Affiliated Managers Group Inc	28,405	12/31/2013
SPDR S&P MidCap 400 ETF Tr	Tractor Supply Co	26,775	12/31/2013
SPDR S&P MidCap 400 ETF Tr	Green Mountain Coffee Roasters	24,499	12/31/2013
SPDR S&P MidCap 400 ETF Tr	LKQ Corp	24,461	12/31/2013
SPDR S&P MidCap 400 ETF Tr	HollyFrontier Corp	24,423	12/31/2013

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	684,861,630	696,312,715	11,451,085
30.2 Preferred stocks			
30.3 Totals	684,861,630	696,312,715	11,451,085

- 30.4 Describe the sources or methods utilized in determining the fair values:
Fair market values are obtained using an external pricing service, BNY Mellon; using an external investment service, Bloomberg, Inc.; or by contacting individual brokers.
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- Yes [X] No []
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- Yes [X] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- Yes [X] No []
- 32.2 If no, list exceptions:

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$1,606,048

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office Inc.	792,893
.....

34.1 Amount of payments for legal expenses, if any?\$120,953

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Squire Sanders (US) LLP	68,506
Baker & Hostetler LLP	32,961
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$0

1.62

Total incurred claims

\$0

1.63

Number of covered lives

All years prior to most current three years

1.64

Total premium earned

\$0

1.65

Total incurred claims

\$0

1.66

Number of covered lives

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$0

1.72

Total incurred claims

\$0

1.73

Number of covered lives

All years prior to most current three years

1.74

Total premium earned

\$0

1.75

Total incurred claims

\$0

1.76

Number of covered lives

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

8,505

15,620

2.2

Premium Denominator

467,186,555

448,979,455

2.3

Premium Ratio (2.1/2.2)

0.000

0.000

2.4

Reserve Numerator

10,437

16,578

2.5

Reserve Denominator

602,709,780

602,244,725

2.6

Reserve Ratio (2.4/2.5)

0.000

0.000

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [] No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

\$

3.22

Non-participating policies

\$

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1

Does the reporting entity issue assessable policies?

Yes [] No [X]

4.2

Does the reporting entity issue non-assessable policies?

Yes [X] No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$0

5.

For Reciprocal Exchanges Only:

5.1

Does the Exchange appoint local agents?

Yes [] No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [] No [] N/A []

5.22

As a direct expense of the exchange.....

Yes [] No [] N/A []

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [] No []

5.5

If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The company has excess of loss reinsurance to protect itself.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
Profiling and probable maximum loss (PML) analysis on the exposures of The Motorists Insurance Group is performed by AON Re Services using the Risk Management Solutions (RMS) RiskLink catastrophe model. Analysis is performed for the perils of wind, hail, and earthquake. The PML arises from wind and hail. The major concentration of exposures is in Ohio. Catastrophe excess of loss reinsurance is purchased to protect against excessive loss.

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The company has catastrophe excess of loss reinsurance to protect itself.

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.
.....

7.1

Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?.....

7.2

If yes, indicate the number of reinsurance contracts containing such provisions:

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

8.2

If yes, give full information
.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or,
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

16.1

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force?

Yes [] No [X]

11.2

If yes, give full information

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds

\$

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes [] No [X] N/A []

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41

From

%

12.42

To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves , including unpaid losses under loss deductible features of commercial policies?

Yes [] No [X]

12.6

If yes, state the amount thereof at December 31 of the current year:

12.61

Letters of credit

\$

12.62

Collateral and other funds

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$1,410,000

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

2

14.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes [X] No []

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
Premiums are allocated to cedant based on experience weighted earned premiums subject to the contract. Reinsurance recoveries are distributed based on each cedant's share of the aggregate losses subject to the contract.

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [] No [X]

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [X] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home					
16.12 Products					
16.13 Automobile					
16.14 Other*					

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$
17.12 Unfunded portion of Interrogatory 17.11	\$
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$
17.14 Case reserves portion of Interrogatory 17.11	\$
17.15 Incurred but not reported portion of Interrogatory 17.11	\$
17.16 Unearned premium portion of Interrogatory 17.11	\$
17.17 Contingent commission portion of Interrogatory 17.11	\$

Provide the following information for all other amounts included in Schedule F - P art 3 and excluded from Schedule F - Part 5, not included above.

17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$
17.19 Unfunded portion of Interrogatory 17.18	\$
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$
17.21 Case reserves portion of Interrogatory 17.18	\$
17.22 Incurred but not reported portion of Interrogatory 17.18	\$
17.23 Unearned premium portion of Interrogatory 17.18	\$
17.24 Contingent commission portion of Interrogatory 17.18	\$

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$

18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

18.4 If yes, please provide the balance of funds administered as of the reporting date. \$

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2013	2 2012	3 2011	4 2010	5 2009
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	313,381,818	295,394,218	277,881,269	312,385,831	308,056,752
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	152,542,799	145,273,676	140,965,137	154,193,822	153,744,604
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	222,416,426	214,520,574	212,046,826	225,668,670	229,820,586
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	930,829	858,907	804,391	1,089,126	1,000,740
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	10,884,735	13,912,536	13,509,859	11,257,932	10,662,018
6. Total (Line 35)	700,156,607	669,959,911	645,207,483	704,595,382	703,284,699
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	218,991,256	205,727,241	193,703,506	216,933,331	209,454,553
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	104,714,561	99,609,371	97,125,176	107,344,193	104,668,864
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	147,949,877	142,390,590	142,030,453	154,046,687	152,960,683
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	654,295	603,265	566,041	758,313	682,243
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	7,673,738	9,808,338	9,524,451	7,936,842	7,502,107
12. Total (Line 35)	479,983,728	458,138,806	442,949,627	487,019,365	475,268,449
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(14,991,921)	(31,338,633)	(52,659,663)	(44,011,065)	(38,136,560)
14. Net investment gain or (loss) (Line 11)	47,115,859	34,336,305	36,246,817	39,883,437	29,202,052
15. Total other income (Line 15)	7,163,937	6,105,545	(2,450,255)	4,008,904	1,543,259
16. Dividends to policyholders (Line 17)	5,816,505	5,420,331	6,254,682	6,464,602	3,971,734
17. Federal and foreign income taxes incurred (Line 19)	(4,446,482)	(3,591,700)	(4,287,664)	(7,307,537)	(12,577,016)
18. Net income (Line 20)	37,917,852	7,274,586	(20,830,119)	724,212	1,214,033
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	1,335,833,011	1,272,050,376	1,228,435,140	1,292,840,558	1,254,954,798
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	22,248,066	23,483,625	19,793,118	24,791,272	22,204,149
20.2 Deferred and not yet due (Line 15.2)	103,998,918	91,726,514	84,560,244	86,885,021	92,319,363
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	767,048,720	791,489,327	767,588,107	789,518,304	767,466,460
22. Losses (Page 3, Line 1)	295,320,063	300,235,516	310,905,401	314,623,708	302,391,027
23. Loss adjustment expenses (Page 3, Line 3)	77,154,980	79,535,266	88,086,740	94,512,507	88,451,212
24. Unearned premiums (Page 3, Line 9)	216,607,599	203,810,426	194,651,076	212,154,362	208,901,477
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	568,784,291	480,561,049	460,847,033	503,322,254	487,488,338
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	20,919,214	(13,588,378)	(44,651,858)	12,318,265	19,048,634
Risk-Based Capital Analysis					
28. Total adjusted capital	573,377,501	483,760,484	463,201,079	505,529,303	489,127,153
29. Authorized control level risk-based capital	64,133,117	61,776,110	58,896,887	59,943,280	55,969,115
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	65.2	65.0	66.1	67.5	70.5
31. Stocks (Lines 2.1 & 2.2)	19.7	19.6	19.5	19.0	18.4
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.1	0.1	0.1
33. Real estate (Lines 4.1, 4.2 & 4.3)	2.7	2.7	2.8	2.7	1.7
34. Cash, cash equivalents and short-term investments (Line 5)	1.2	1.1	0.7	0.2	1.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					XXX
37. Other invested assets (Line 8)	11.2	11.5	10.8	10.5	8.3
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)					XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	51,041,877	52,703,689	51,449,362	49,888,862	47,141,224
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated	16,000,000	16,000,000	16,000,000	16,000,000	13,000,000
48. Total of above Lines 42 to 47	67,041,877	68,703,689	67,449,362	65,888,862	60,141,224
49. Total Investment in Parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	11.8	14.3	14.6	13.1	12.3

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	14,005,941	14,232,271	(6,462,061)	19,734,137	35,132,477
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	88,223,242	19,714,015	(42,475,220)	15,833,916	78,218,071
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	162,395,896	175,323,654	156,141,068	164,877,070	141,641,080
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	76,516,792	79,387,030	104,272,020	84,787,318	84,377,644
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	121,689,533	145,165,042	185,263,849	146,146,289	169,304,758
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	248,209	368,988	337,499	486,522	278,810
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	7,451,292	7,812,455	8,915,567	5,962,958	8,282,585
59. Total (Line 35)	368,301,724	408,057,169	454,930,004	402,260,156	403,884,876
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	112,671,245	120,449,886	108,331,604	112,634,375	110,089,148
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	53,890,124	54,841,808	69,690,895	59,755,299	59,574,423
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	84,593,534	94,082,486	122,294,974	101,631,379	109,292,984
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	174,988	260,136	237,937	342,998	207,361
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	5,253,161	5,507,781	6,285,475	4,203,886	7,209,000
65. Total (Line 35)	256,583,052	275,142,097	306,840,884	278,567,936	286,372,915
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	53.9	58.9	65.8	60.1	57.9
68. Loss expenses incurred (Line 3)	13.0	12.0	12.1	13.4	15.3
69. Other underwriting expenses incurred (Line 4)	36.4	36.1	33.5	35.6	34.9
70. Net underwriting gain (loss) (Line 8)	(3.2)	(7.0)	(11.4)	(9.1)	(8.1)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	33.9	34.0	35.4	34.6	34.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	66.8	70.9	77.9	73.5	73.2
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	84.4	95.3	96.1	96.8	97.5
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(5,045)	(8,213)	(19,135)	(10,480)	(6,887)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0).....	(1.0)	(1.8)	(3.8)	(2.1)	(1.7)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(9,170)	(21,314)	(21,692)	(14,270)	(19,899)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(2.0)	(4.2)	(4.4)	(3.5)	(3.7)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	XXX	XXX	XXX	6,169	3,612	948	83	478	8	115	3,892	XXX
2. 2004.....	459,589	17,088	442,502	233,945	7,525	15,451	810	33,376	60	11,643	274,377	XXX
3. 2005.....	474,561	17,185	457,376	218,350	2,460	16,273	169	33,681	16	9,994	265,659	XXX
4. 2006.....	473,163	18,319	454,844	231,921	4,356	13,743	236	37,835	9	9,691	278,898	XXX
5. 2007.....	472,319	18,519	453,800	250,097	7,555	16,220	41	38,279	23	12,975	296,978	XXX
6. 2008.....	480,343	21,095	459,248	309,274	36,115	18,190	86	42,758	211	11,099	333,809	XXX
7. 2009.....	491,095	20,031	471,064	286,659	13,763	16,902	1,143	38,568	142	10,964	327,081	XXX
8. 2010.....	502,439	18,673	483,766	268,915	1,645	11,995	5	41,230	10	12,005	320,480	XXX
9. 2011.....	480,945	20,492	460,453	298,917	21,938	7,062	68	43,603	261	11,828	327,315	XXX
10. 2012.....	471,530	22,551	448,979	217,610	7,206	3,216		41,655	112	9,622	255,163	XXX
11. 2013.....	488,867	21,680	467,187	151,941	1,798	1,065		36,058	1	5,384	187,265	XXX
12. Totals	XXX	XXX	XXX	2,473,799	107,974	121,063	2,641	387,521	853	105,320	2,870,916	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded				Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior.....	42,264	23,084	19,298	641			5,743	156	1,530	6		44,948	XXX
2. 2004.....	1,845	0	935				367		95			3,242	XXX
3. 2005.....	2,054	747	1,833	58			558		147			3,787	XXX
4. 2006.....	1,873	705	1,439				630		235			3,472	XXX
5. 2007.....	3,065	141	1,899	125			928		320			5,947	XXX
6. 2008.....	4,389	78	2,489	152			1,846		653			9,147	XXX
7. 2009.....	8,470	101	4,464	514			2,673		1,050			16,041	XXX
8. 2010.....	19,439	152	7,346	25			5,683		1,954			34,245	XXX
9. 2011.....	23,405	10	12,944	900			7,397		3,117			45,953	XXX
10. 2012.....	32,314	125	25,075	639			9,207		5,245			71,076	XXX
11. 2013.....	57,987	840	50,709	1,177			13,510		14,428			134,617	XXX
12. Totals	197,105	25,983	128,429	4,231			48,542	156	28,774	6		372,475	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	37,836	7,111
2. 2004.....	286,014	8,395	277,618	62.2	49.1	62.7			70.5	2,780	462
3. 2005.....	272,897	3,450	269,447	57.5	20.1	58.9			70.5	3,082	705
4. 2006.....	287,676	5,306	282,370	60.8	29.0	62.1			70.5	2,606	865
5. 2007.....	310,809	7,885	302,924	65.8	42.6	66.8			70.5	4,698	1,249
6. 2008.....	379,598	36,641	342,956	79.0	173.7	74.7			70.5	6,648	2,499
7. 2009.....	358,786	15,663	343,122	73.1	78.2	72.8			70.5	12,319	3,722
8. 2010.....	356,563	1,837	354,725	71.0	9.8	73.3			70.5	26,609	7,637
9. 2011.....	396,445	23,176	373,269	82.4	113.1	81.1			70.5	35,439	10,514
10. 2012.....	334,322	8,083	326,239	70.9	35.8	72.7			70.5	56,624	14,452
11. 2013.....	325,698	3,817	321,881	66.6	17.6	68.9			70.5	106,678	27,938
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	295,320	77,155

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 One Year	12 Two Year
1. Prior.....	180,397	179,184	190,470	188,116	187,429	185,322	187,432	187,886	188,942	192,321	3,379	4,436
2. 2004.....	257,917	253,963	251,923	246,730	245,409	246,005	244,464	244,614	244,164	244,208	44	(406)
3. 2005.....	XXX	250,954	239,515	235,731	236,326	236,061	235,937	235,734	235,959	235,634	(325)	(99)
4. 2006.....	XXX	XXX	262,332	254,670	250,882	249,413	247,138	245,826	245,008	244,308	(700)	(1,518)
5. 2007.....	XXX	XXX	XXX	278,686	270,134	267,235	265,152	265,190	264,668	264,347	(320)	(842)
6. 2008.....	XXX	XXX	XXX	XXX	307,459	306,716	303,246	300,699	300,599	299,757	(842)	(942)
7. 2009.....	XXX	XXX	XXX	XXX	XXX	312,419	309,321	301,531	304,184	303,647	(538)	2,116
8. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	323,469	315,547	311,323	311,551	228	(3,995)
9. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	334,727	328,693	326,809	(1,884)	(7,918)
10. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	283,540	279,451	(4,089)	XXX
11. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	271,397	XXX	XXX
12. Totals											(5,045)	(9,170)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior.....	.000	53,199	93,124	112,263	123,408	129,724	136,119	141,447	145,476	148,898	XXX	XXX
2. 2004.....	135,750	188,789	210,746	223,711	232,009	237,160	239,325	240,341	240,595	241,061	XXX	XXX
3. 2005.....	XXX	126,310	174,480	193,234	208,947	219,344	225,443	229,174	231,434	231,994	XXX	XXX
4. 2006.....	XXX	XXX	141,688	189,523	209,837	225,262	234,731	237,761	239,327	241,072	XXX	XXX
5. 2007.....	XXX	XXX	XXX	150,676	199,792	224,498	240,021	250,286	256,507	258,721	XXX	XXX
6. 2008.....	XXX	XXX	XXX	XXX	169,272	228,560	256,396	274,472	285,790	291,262	XXX	XXX
7. 2009.....	XXX	XXX	XXX	XXX	XXX	176,874	230,520	252,877	276,990	288,655	XXX	XXX
8. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	174,970	234,446	259,591	279,260	XXX	XXX
9. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	201,760	261,400	283,973	XXX	XXX
10. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	158,250	213,620	XXX	XXX
11. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	151,208	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior.....	86,832	57,816	48,246	39,960	36,284	31,913	30,563	27,837	27,082	24,244
2. 2004.....	60,640	36,751	22,411	12,161	7,089	4,701	2,735	2,800	2,243	1,302
3. 2005.....	XXX	69,341	37,691	19,723	10,911	7,085	4,145	3,684	2,810	2,334
4. 2006.....	XXX	XXX	63,462	36,230	19,926	11,355	6,360	4,025	3,086	2,068
5. 2007.....	XXX	XXX	XXX	69,710	39,932	21,655	12,147	6,561	4,317	2,701
6. 2008.....	XXX	XXX	XXX	XXX	70,189	42,404	21,961	12,641	7,272	4,183
7. 2009.....	XXX	XXX	XXX	XXX	XXX	72,479	44,364	22,746	13,849	6,622
8. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	79,168	43,213	22,738	13,005
9. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	70,285	36,263	19,441
10. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	62,255	33,643
11. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	63,042

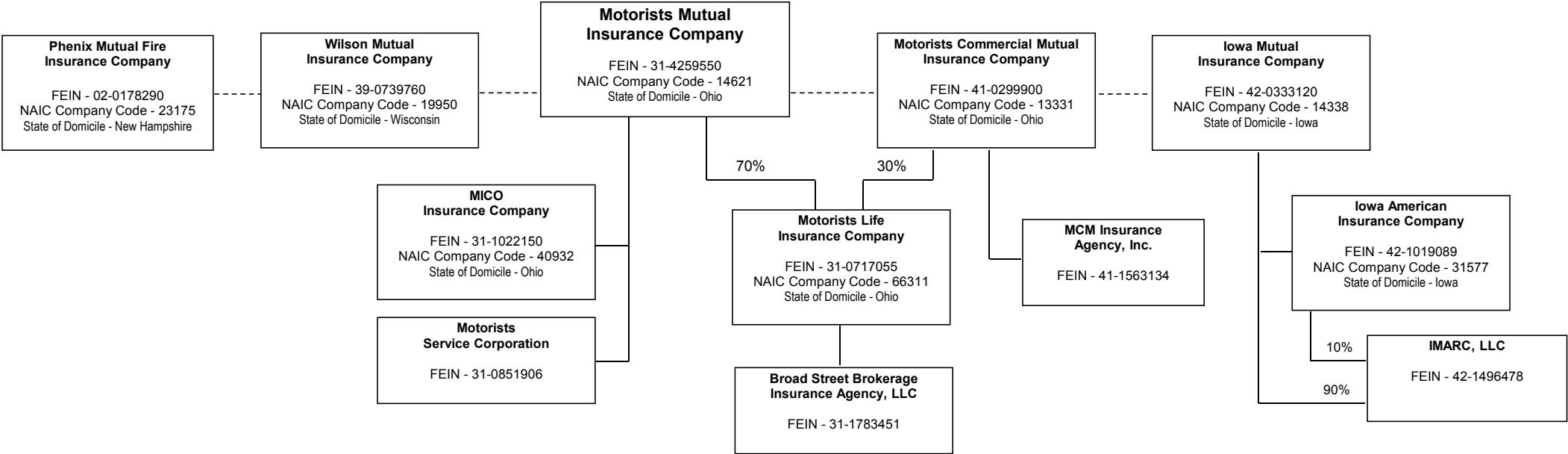
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories									
States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	Q							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	Q							
6. Colorado	CO	N							
7. Connecticut	CT	Q							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	Q							
15. Indiana	IN	L	45,229,424	44,693,006	24,114,743	24,288,273	32,478,857	294,568	
16. Iowa	IA	Q							
17. Kansas	KS	N							
18. Kentucky	KY	L	56,904,791	52,705,635	24,972,595	26,801,076	27,706,942	310,626	
19. Louisiana	LA	N							
20. Maine	ME	Q							
21. Maryland	MD	Q							
22. Massachusetts	MA	Q							
23. Michigan	MI	L	9,238,042	8,265,091	4,115,459	4,279,710	8,709,559	14,680	
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	Q							
27. Montana	MT	Q							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	Q							
31. New Jersey	NJ	Q							
32. New Mexico	NM	N							
33. New York	NY	Q							
34. North Carolina	NC	Q							
35. North Dakota	ND	N							
36. Ohio	OH	L	233,245,673	227,306,758	111,537,117	106,147,466	89,031,658	2,409,051	
37. Oklahoma	OK	Q							
38. Oregon	OR	Q							
39. Pennsylvania	PA	L	60,971,964	59,546,476	727,710	31,923,106	33,223,370	53,830,636	532,972
40. Rhode Island	RI	Q							
41. South Carolina	SC	Q							
42. South Dakota	SD	Q							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	Q							
46. Vermont	VT	Q							
47. Virginia	VA	Q							
48. Washington	WA	N							
49. West Virginia	WV	L	20,917,862	20,648,322	10,624,046	8,667,107	7,739,555	69,329	
50. Wisconsin	WI	Q							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien ..	OT	XXX							
59. Totals	(a)	6	426,507,756	413,165,289	727,710	207,287,066	203,407,002	219,497,206	3,631,226
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation of premiums by states, etc.
Premiums are assigned to state based on the following methods:
1) the location of the risk for lines 1, 2, 4, 5, 8, 9, 12, 16, 26, and 27
2) the location of the insured's operation for lines 17 and 18
3) the principal garaging location for lines 19 and 21
4) the location of the employer for line 23
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2013 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504.	Prepaid pension	28,926,377	28,926,377		
2505.	Automobiles	2,370,598	2,370,598		
2506.	Prepaid post retirement health care	707,036	707,036		
2507.	Leasehold improvements	404,524	404,524		
2508.	Prepaid expenses	309,903	309,903		
2509.	Tenant allowances	126,151	126,151		
2510.	Miscellaneous receivables	8,160	8,160		
2511.	Employee advances	3,468	3,468		
2597.	Summary of remaining write-ins for Line 25 from overflow page	32,856,217	32,856,217		

Additional Write-ins for Liabilities Line 25

		1	2
		Current Year	Prior Year
2504.	Escheatable funds	355,125	342,044
2505.	Obligations in pools and associations	287,015	206,253
2506.	Reinsurance assumed overhead payable	167,596	176,564
2507.	Low income housing obligations	81,991	81,991
2508.	Miscellaneous liabilities	52,317	62,798
2509.	Tenant allowances payable	29,286	36,559
2510.	Premium deficiency reserve	635	1,974
2597.	Summary of remaining write-ins for Line 25 from overflow page	973,964	908,183

Additional Write-ins for Statement of Income Line 14

		1	2
		Current Year	Prior Year
1404.	Interest on assets other than securities	482	509
1405.	Miscellaneous service fees		9,897
1406.	Penalties and assessments	(1,461)	(32,637)
1407.	Surplus note interest credit	(325,000)	(325,000)
1497.	Summary of remaining write-ins for Line 14 from overflow page	(325,979)	(347,231)

Additional Write-ins for Statement of Income Line 37

		1	2
		Current Year	Prior Year
3704.	Change in surplus from SSAP No. 101 – carryover from 10R		(8,748,842)
3797.	Summary of remaining write-ins for Line 37 from overflow page		(8,748,842)

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 24

		1	2	3	4
		Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
2404.	Donations and contributions	361,866	396,914	9,754	768,534
2405.	Reinsurance assumed overhead		582,647		582,647
2406.	Temporary labor	143,189	137,345	4,955	285,490
2407.	Policy administration / servicing fees		9,169		9,169
2497.	Summary of remaining write-ins for Line 24 from overflow page	505,056	1,126,076	14,709	1,645,841

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504.	Leasehold improvements	404,524	528,100	123,575
2505.	Prepaid expenses	309,903	223,934	(85,969)
2506.	Tenant allowances	126,151	80,670	(45,481)
2507.	Employee advances	8,160	6,267	(1,892)
2508.	Miscellaneous receivables	3,468	12,813	9,346
2597.	Summary of remaining write-ins for Line 25 from overflow page	852,206	851,785	(421)

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